

Corporate Social Responsibility Policy of Salem Erode Investments Limited, as approved by the Board of Directors vide. meeting dated 27th August, 2021.

(This Policy pertains to the Corporate Social Responsibility(hereinafter referred to as “CSR”) of the Company is in supersession of previous policy and consistence with provisions of the Companies Act, 2013).

I. Background

Salem Erode Investments Limited (hereinafter referred to as “the Company”) is an emerging financial services providing Company established and emerged in 16.05.1931 with a registration under the Companies Act, 1913 and expanded its operation into Non-Banking Financial Sector in 1998 with the approval of Reserve Bank of India. Presently, the Company is planning to expand and diversify its operations to different parts of the Country in the coming Financial Years.

As the Company falls under the purview of the provisions of Section 135(1) of the Companies Act, 2013 (hereinafter referred to as “Act”)and amendments made thereunder, the constitution and maintenance of ***Independent, Competent and Qualified Corporate Social Responsibility Committee***(hereinafter referred to as “CSR Committee” or “Committee”)is required. The economic, social and environmental development of the society is one of the major vision of the Company and hence, the Company is very much eager to comply all the applicable provisions under the Act, the Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other rules, regulations and amendments made thereunder. Being the Act mandates certain transactions to be approved by the Committee, continuance of the same in a fair and transparent manner is necessary. To review and oversee the selection, implementation, monitoring and evaluation of projects, programs or activities falling under Schedule VII of the Act (hereinafter collectively referred to as the “CSR Activities”) as well as formulation of the Annual Action Plan, the Board of Directors vide. Meeting held on Friday, the 27th day of August, 2021 reconstituted the CSR Committee and approved the revised policy structure for the same.

The Committee is established with the aim of instituting transparent monitoring mechanism for implementation of the CSR activities undertaken by the Company and provides an independent reassurance to the Board through its oversight and monitoring role.

II. Purpose

The Policy would lay down the guiding principles for carrying out the CSR activities in accordance with the provisions contained in Act and for ensuring CSR activities are conducted in all respects according to ethical, professional and legal standards and enhancing social value of the Company.

III. Applicability

The policy shall be applicable to all CSR activities falls under the purview of provisions of Section 135 of the Act, read with Schedule VII of the Act and corresponding rules and amendments made thereunder. The policy shall effective from 27.08.2021 to next meeting in which Policy is revised.

IV. CSR Compliance Officer

In case of any clarification or information connected with the any of the CSR activities of the Company, its implementation, expenditure, approval process etc. any person concerned may make an enquiry with the following official of the Company:

CSR Compliance Officer
Salem Erode Investments Limited
V. K. K. Building, Main Road,
Irinjalakuda, Thrissur, Kerala – 680121
Ph: 0480 2828071, E mail: salemerodeinvestments@gmail.com

V. Composition of the CSR Committee

- 1) The Committee shall have minimum three Directors as members, out of which at least one Director shall be an Independent Director.
- 2) All members of Committee shall be financially literate and at least one member shall have accounting or related financial management expertise.
- 3) The Chairperson of the Committee shall be an Independent Director and he shall be present at Annual General Meeting to answer shareholders' queries.
- 4) The Company Secretary shall act as the Secretary to the Committee.
- 5) The Board of Directors may, at its discretion reconstitute the Committee by inducting or removing any Director, with or without any reasons.

VI. Role and Responsibilities of the CSR Committee

- 1) Prepare a detailed CSR Action Plan, delineating the CSR activities to be carried out during the upcoming Financial Years, including the budgets thereof, manner of execution, implementation schedules, modalities of utilization of funds and monitoring & reporting mechanism for the CSR activities and submit before the Board for approval on Annual Basis.
- 2) Provide necessary directions to the CSR implementation team from time to time to ensure orderly and efficient execution of the CSR activities in accordance with this Policy.
- 3) Ensures that the Company complies with all legal and regulatory requirements with respect to the CSR activities.
- 4) Assist the Management in maintaining a culture of co-operation and openness between the Management, Committee, CSR implementation team etc.
- 5) Review and recommend any amendments to be made in the CSR policy of the Company on Annual Basis.
- 6) Sign and submit copies of the Minutes or Resolutions of the meetings of the Committee with any judicial, quasi-judicial, regulatory, other government department or anyone concerned or interested in the matter signed by the Chairman of the Committee, whenever and wherever required.
- 7) Submit Minutes of the Committee meetings at the subsequent meeting of Board of Directors of the Company for consideration and approval.
- 8) Review and submit an Annual Report for the approval of Board of Directors of the Company.

VII. Role and Responsibilities of CSR Compliance Officer

- 1) Comply with and support implementation of this policy and any resultant standards, guidelines and procedures.
- 2) Maintain a duly updated CSR Register.
- 3) All documents shall be preserved for a period as specified in the applicable regulations and as per Board approved Record Maintenance and Document Retention Policy.

- 4) Review and submit an Annual Report before the Committee in the format as specified under the Companies (Corporate Social Responsibility Policy) Rules, 2014.

VIII. Powers of CSR Committee

- 1) The Committee may call for a meeting with the Management, the Internal Auditors and the Statutory Auditors to review and discuss on the Company's CSR activities undertaken or to be undertaken by the Company.
- 2) The Committee may call for periodical reports from the CSR Compliance Officer of the Company.
- 3) The Committee shall have full access to information pertains to the CSR activities contained in the records of the Company.
- 4) The Committee shall have powers to obtain external legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.
- 5) The Committee may retain external legal, accounting or other professional advisors as the Committee deems necessary or appropriate to carry out its duties.
- 6) The Committee, at its discretion shall invite the Finance Director or Head of the finance function and a representative of the Statutory Auditors and any other executives to be present at the meetings of the Committee.

IX. Scope

1) CSR Budget

The Committee, based on the certified calculation undertaken by the Chief Financial Officer of the Company or by an Independent Chartered Accountant and presented to the Committee by the Management, will approve the CSR Budget for the respective Financial Year and recommend the same to the Board.

2) Designing & Selection of CSR Activities

The Company may take up any of the following CSR activities falling under Schedule VII of the Act by the Company itself or through any approved entities, as specified in the Companies (Corporate Social Responsibility Policy) Rules, 2014:

- a) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- b) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- c) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- d) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga;
- e) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- f) Measures for the benefit of armed forces veterans, war widows and their dependents, or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund);
- g) Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;
- h) Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, Other Backward Classes, Minorities and Women;
- i)
 - i. Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

- ii. Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defence Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- j) Rural development projects.
- k) Slum area development
- l) Disaster management, including relief, rehabilitation and reconstruction activities.

Out of the aforesaid activities, the Company considers the following 5 (five) CSR activities as its **Prime CSR Activities** of the Company:

- a) Disaster management
- b) Health and Sanitation
- c) Education
- d) Livelihood & Skill Building
- e) Drinking and Irrigation

3) Implementation of CSR Activities

The Company may take up any of the aforesaid CSR activities

- a) by the Company itself; or
- b) through any approved entities as specified in the Companies (Corporate Social Responsibility Policy) Rules, 2014:

throughout the year or according to the requirement or on need basis.

4) CSR Expenditure

The Company's endeavour to spend in every Financial Year, two percent of its average net profits during the three immediately preceding Financial Years (or such other limit as may be prescribed under the Act), on CSR activities in pursuance of this Policy. The CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR activities undertaken in accordance with the CSR Action Plan.

Any surplus arising from the CSR activities will be used for CSR activities within six months from the end of the relevant Financial Year. Accordingly, any income arising from CSR activities will be netted off from the CSR expenditure and such net amount will be reported as CSR expenditure.

If CSR expenditure in a Financial Year exceeds the statutory limit, such excess may be set-off against CSR expenditure for the next three Financial Years with the approval of the Board, on the recommendation of the CSR Committee.

5) Monitoring and evaluation

The Committee shall ensure that;

- a) the Company undertakes the CSR activities as provided in the CSR Policy;
- b) the CSR activities are implemented as per the CSR Action Plan, as approved by the Board;
- c) the budget allocated for each of the CSR activity is utilized for the same activity as mentioned in the CSR Action Plan.
- d) the objectives of the CSR activities are achieved as per the plans.

The CSR Committee shall develop a Monitoring & Evaluation framework to focus on outcome and impact measurement in multiple ways. The Committee shall evaluate the CSR activities undertaken through:

- a) Impact assessment studies;
- b) Routine program monitoring to track key operational strategies;
- c) Focus on beneficiary acceptance and course correction;
- d) Efficient information systems towards developing solutions for collecting, collating, storing, processing and transmitting information.

X. Retention of Documents

All documents related to the CSR activities shall be retained by the Company for a minimum period of 8 years under the custody of the CSR Compliance Officer.

XI. Guidelines for convening meetings.

- 1) Any Member of the Committee may, at any time, summon a meeting of the Committee and the Secretary or where there is no Secretary, any person authorized by the Committee in this behalf, on the requisition of a Member, shall convene a meeting of the Committee, in consultation with the Chairman or in his absence, any Independent Director.
- 2) The Committee shall meet at least two times in a year.
- 3) The quorum for the meeting shall either be two members or one third of the members of the Committee, whichever is greater, with at least one Independent Director.
- 4) Every meeting shall have a serial number and may be convened at any time and place, on any day.
- 5) The Chief Financial Officer and Internal Auditor may be requested to be present as invitees for the meetings of the Committee.
- 6) The Committee may invite such of the executives, as it considers appropriate (particularly, the head of the finance function), to be present at the meetings of the Committee. Such persons shall not have the right to vote. On occasions considered necessary, the Committee may also meet without the presence of any executive of the Company.
- 7) Notice convening a meeting along with agenda and notes shall be given at least seven days before the date of the meeting. To transact urgent business, the notice, agenda and notes on agenda may be given at shorter period of time than stated above, if atleast Chairman or majority of Independent Directors, if any, shall be present at such Meeting. Notice of the meeting shall clearly mention a venue, whether Registered Office or otherwise, to be the venue of the meeting and all the recordings of the proceedings of the meeting, if conducted through electronic mode, shall be deemed to be made at such place. Notice in writing of every meeting shall be given to every Member by hand or by speed post or by registered post or by facsimile or by e-mail or by any other electronic means. Notice shall be issued by the Secretary or where there is no Secretary, any Member or any other person authorized by the Committee for the purpose.

- 8) The Chairman of the Committee shall be decided by the Board of Directors of the Company from time to time. The Chairman of the Committee shall conduct the meetings of the Committee. If the Chairman is unable to attend the meeting, the Members present at the meeting shall elect one of the Independent Directors to chair and conduct the meeting, unless otherwise informed by the Board of Directors of the Company.
- 9) The Committee shall maintain attendance register in a bounded form for the meetings of the Committee. The pages of the attendance register shall be serially numbered. The attendance register shall be in the custody of the Secretary.
- 10) The Committee shall keep Minutes of all Committee meetings in a Minutes Book. The Minutes of the meeting shall be recorded by the Secretary or in absence, by any Member, nominated by the Chairman of the meeting and may maintain in physical or electronic mode. Within fifteen days from the date of the conclusion of the meeting of the Committee, the draft Minutes thereof shall be circulated by hand or by speed post or by registered post or by courier or by e-mail or by any other recognized electronic means to all the Members of the Committee, as on the date of the meeting, for their comments. Minutes shall be entered in the Minutes Book within thirty days from the date of conclusion of the meeting. Minutes of the meeting of the Board shall be signed and dated by the Chairman of the meeting or by the Chairman of the next meeting. Within fifteen days of signing of the Minutes, a copy of the said signed Minutes, certified by the Secretary or where there is no Secretary by any Member authorized by the Committee, shall be circulated to all the Members of the Committee. Minutes of the meetings of any Committee shall be noted at a Meeting of the Board held immediately following the date of entry of such Minutes in the Minutes Book.
- 11) Any actions of the Members of the Committee beyond the scope of their authorities will attract civil and criminal liabilities. The Board of Directors of the Company always reserves the power to appoint, expel or replace any Member of the Committee, as and when required.
- 12) The Committee shall follow the principles enunciated in the Secretarial Standard-1 (SS-1) on "Meetings of the Board of Directors", issued by the Council of the Institute of Company Secretaries of India, unless otherwise stated herein or stipulated by any other applicable Guidelines, Rules or Regulations.

XII. Sitting Fees

Members of the Committee shall receive such sitting fees, if any, for their services as Committee Members, as may be determined by the Board at its sole discretion.

XIII. Committee Evaluation

The Committee shall undergo an Annual Self Evaluation of its performance and report the result to the Board of Directors of the Company. Indicative areas for evaluation as part of this exercise include:

- Degree of fulfillment of key responsibilities.
- Adequacy of Committee composition.
- Effectiveness of meetings.
- Committee dynamics.
- Quality of relationship of the Committee with the Board and the Management.

XIV. Amendment

The CSR Policy will be guided by terms of reference as decided by the CSR Committee and the Board of Directors of Company from time to time and subject to the requirements under the Companies Act, 2013 or such other acts, rules, regulations or guidelines. This policy can be modified at any time by the Board of Directors of the Company.

By order of Board,
For Salem Erode Investments Limited

Sd/-
K.G. Anilkumar
Managing Director
(DIN: 00766739)