

3P INVESTMENT MANAGERS PRIVATE LIMITED

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CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR) POLICY

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Prudence of creating a portfolio of sustainable and reasonably valued businesses.

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Performance is the outcome.

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CORPORATE SOCIAL RESPONSIBILITY POLICY ("CSR Policy")

1. INTRODUCTION AND PHILOSOPHY OF Corporate Social Responsibility

- 1.1. At 3P Investment Managers Private Limited ("**Company**"), we believe in contributing towards the sustainable development of society. We recognize the importance of corporate social responsibility ("**CSR**") as an integral part of our business ethos. Our CSR initiatives aim to positively impact the communities and environment in which we operate, aligning with our core values of integrity, transparency, and social responsibility.
- 1.2. This CSR Policy encapsulates the Company's commitment to fulfill its role as a responsible corporate entity. It outlines the principles and procedures governing the execution of Company's socially beneficial initiatives.

2. DEFINITIONS

For the purposes of this CSR Policy:

- (a) "**Act**" means the (Indian) Companies Act, 2013.
- (b) "**Board of Directors**" or "**Board**" means the collective body of the directors of the Company.
- (c) "**Company**" means 3P Investment Managers Private Limited.
- (d) "**Corporate Social Responsibility**" or "**CSR**" means and includes but is not limited to:
- (i) Projects or programs relating to activities specified in Schedule VII to the Act; or
 - (ii) Projects or programs relating to activities undertaken by the Board in pursuance of recommendations of the CSR Committee (defined below) of the Board as per declared CSR Policy of the Company subject to the condition that such CSR Policy will cover subjects enumerated in Schedule VII of the Act.
- (e) "**CSR Committee**" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.

- (f) **"CSR Policy"** refers to this Corporate Social Responsibility Policy and relates to the activities to be undertaken by the Company as specified in Schedule VII to the Act and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of the Company.
- (g) **"CSR Rules"** means the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.
- (h) **"Implementing Agency"** means any entity eligible and sufficiently registered with relevant governmental authorities for implementing CSR activities in compliance with provisions of the Act read with the CSR Rules.
- (i) **"Ongoing Project"** means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding 3 (three) years excluding the financial year in which it was commenced and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond 1 (one) year by the Board based on reasonable justification.
- (j) **"Net profit"** means the net profit of a Company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:
 - i. Any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise; and
 - ii. Any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act.

Any term used in this CSR Policy but not defined herein shall have the same meaning assigned to them under the Act and CSR Rules applicable to the Company.

3. NEED FOR THE CSR POLICY

Ministry of Corporate Affairs, Government of India has notified section 135 of the Act being provision relating to CSR with effect from 1st April 2014 and also the CSR Rules, which came into effect from the said date. The provisions relating to CSR are required to be complied with by all companies which have: (i) a net worth of INR 500 Crores (Indian Rupees Five Hundred Crores) or more; or (ii) turnover of INR 1,000 Crores (Indian Rupees One Thousand Crores) or more; or (iii) net profit of INR 5 Crores (Indian Rupees Five Crores) or more, during the immediately preceding financial year. A company fulfilling any one of the above criteria, shall spend at least 2% (two percent) of the average net profit made during 3 (three) immediately preceding financial years as per its CSR policy.

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4. CSR COMMITTEE

4.1. CSR Committee shall be constituted from the Board in accordance with the Act and the CSR Rules. The CSR Committee shall be responsible for implementation/monitoring and review of the CSR Policy and the projects/activities undertaken under the CSR Policy.

4.2. The CSR Committee shall ensure that the policy and practices in the Company reflect the highest standards of corporate governance and facilitate necessary compliances and appropriate disclosures periodically.

4.3. The functions of the CSR Committee shall be:

- (i) To formulate and recommend the policy for CSR indicating the activities to be undertaken by the Company in areas or subject specified in Schedule VII to the Act;
- (ii) To recommend the amount of expenditure to be incurred on CSR activities to be undertaken by the Company;
- (iii) To formulate and recommend an annual action plan in compliance with provisions of the CSR Policy;
- (iv) Recommend changes to the Board, if any, needed in the annual action plan with reasonable justification to that effect;
- (v) To monitor compliance with the CSR Policy and report to the Board on the progress of various CSR activities and spends on a regular basis;
- (vi) Identifying and engaging with suitable Implementing Agencies in respect of CSR activities;
- (vii) Recommending to the Board, modifications to the CSR Policy as and when required;
- (viii) Undertake the CSR activities such that the areas around which the Company operates are given preference; and
- (ix) Any other duty in terms of the Act and / or the CSR Rules.

4.4. Composition of the CSR Committee:

- (i) The CSR Committee shall be constituted with a minimum of 2 (two) directors of the Company.
- (ii) Any member can be the chairperson of the CSR Committee.
- (iii) The members of the CSR Committee shall be elected by the Board.
- (iv) The tenure of the membership in the CSR Committee shall be based on tenure of the directorship in the Company.

4.5. CSR Committee Meetings

4.5.1. Frequency of the Meeting:

The CSR Committee shall hold 1 (one) meeting in a financial year and as and when required, to discuss various issues regarding the implementation of the CSR Policy of the Company.

4.5.2. Quorum and Place of the Meeting:

- (i) The quorum necessary for the CSR Committee meeting shall be a minimum of 2 (two) members present.
- (ii) The meeting can be held at any place as the members decide or through video-conferencing also.
- (iii) Any person other than members of the CSR Committee can attend the meeting, if the members so require.

5. POWERS OF THE BOARD

The Board will review the CSR activities, scope of the CSR Policy, recommend the amount to be spent /contribution to be made for CSR activities/projects, lay down process for undertaking CSR activities, mechanism for monitoring and reviewing the implementation of the projects undertaken under Company's CSR initiatives.

6. AREAS OF CSR ACTIVITIES

- (i) 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.
- (ii) Promoting education, including special education and employment, enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- (iii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- (iv) 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 set-up by the Central Government for rejuvenation of river Ganga.

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- (v) 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 art and handicrafts.
- (vi) Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows.
- (vii) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.
- (viii) 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 schedule caste, tribes, other backward classes, minorities, and women.
- (ix) 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.
- (x) 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 Defense Research and Development Organization (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).
- (xi) Rural development projects.
- (xii) Slum area development. For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.
- (xiii) Disaster management, including relief, rehabilitation, and reconstruction activities.

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7. CARRYING OUT CSR ACTIVITIES

- 7.1. The CSR activities shall be undertaken by the Company, as per its stated CSR Policy, as projects or programs or activities (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.
- 7.2. The Board may decide to undertake its CSR activities approved by the CSR Committee, through a registered trust or a registered society or a company established by the Company or its holding or subsidiary or associate company under section 8 of the Act or otherwise in accordance with the Act and CSR Rules.
- 7.3. The Company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programs in accordance with the CSR Rules.
- 7.4. Subject to the provisions of sub-section (5) of section 135 of the Act the CSR projects or programs or activities undertaken in India only shall amount to CSR expenditure.
- 7.5. The CSR projects or programs or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities in accordance with section 135 of the Act.
- 7.6. The Company may build CSR capacities of their own personnel as well as those of their Implementing Agencies through institutions with established track records of at least 3 (three) financial years, but such expenditure shall not exceed 5% (five percent) of total CSR expenditure of the Company in 1 (one) financial year.
- 7.7. Contribution of any amount directly or indirectly to any political party under section 182 of the Act, shall not be considered as CSR activity.

8. MONITORING OF PROJECT AND FUND UTILISATION

The CSR Committee will meet as per requirement and monitor the implementation of project / program / activity as decided by the CSR Committee and approved by the Board from time to time and also to adhere to the timeline and budget for various project / program / activity.

9. DISCLOSURE IN THE REPORT OF BOARD OF DIRECTORS

The CSR activities undertaken by the Company, along with details of funds allocated and their utilization, shall be disclosed in the annual report of the Board.

10. DISPLAY ON COMPANY WEBSITE

The Board shall ensure to disclose the composition of the CSR Committee, this CSR Policy and projects approved by the Board on their website.

11. ANNUAL ACTION PLAN

The CSR Committee shall, at the beginning of each financial year, formulate and recommend to the Board, an annual action plan in pursuance of this CSR Policy, which shall include the following, namely:

- i. The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- ii. The manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4 of the Companies (Corporate Social Responsibilities Policy) Rules, 2014;
- iii. The modalities of utilisation of funds and implementation schedules for the projects or programmes; and
- iv. Monitoring and reporting mechanism for the projects or programmes.

The Board is empowered to alter the annual action plan during the financial year, if so, recommended by the CSR Committee, based on the reasonable justification for such change.

12. CSR EXPENDITURE

The Company shall endeavor to achieve the objectives of CSR Policy and allocate every year:

- (i) Minimum 2% (two percent) of its average net profits made during the 3 (three) immediately preceding financial years.
- (ii) The administrative overheads on the CSR activities of the Company shall not exceed 5% (five percent) of total CSR expenditure of the Company for the particular financial year.
- (iii) Any surplus arising out of the CSR activities shall not form part of the business profit of the Company and shall be ploughed back into the same CSR project or shall be transferred to the unspent CSR account and spent in pursuance of CSR Policy and annual action plan of the Company.
- (iv) If the Company spends an amount in excess of requirement provided under sub-section (5) of section 135 of the Act, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding 3 (three) financial years subject to the conditions that: (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of rule 7 of the Companies (Corporate Social Responsibilities Policy) Rules, 2014; and (ii) the Board shall pass a resolution to that effect.

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13. TREATMENT OF UNSPENT CSR AMOUNT

- (i) Unspent CSR amount in relation to ongoing projects, if any, shall be transferred to unspent CSR account in accordance with the applicable provisions of the Act and the CSR Rules from time to time.
- (ii) Unspent CSR amount in relation to other than ongoing projects, if any, shall be transferred to the funds specified in Schedule VII of the Act in accordance with the applicable CSR Rules from time to time.

14. TREATMENT OF EXCESS SPENDING

Any amount spent in excess of the requirement provided under the Act, may be set off against the requirement to spend up to immediate succeeding 3 (three) financial years subject to the conditions that:

- (i) The excess amount available for set-off shall not include the surplus arising out of the CSR activities; and
- (ii) The Board shall pass a resolution to that effect.

15. MODE OF IMPLEMENTATION

CSR programs, projects or activities of the Company should be implemented through following methods:

- (i) directly by the Company;
- (ii) through Implementing Agencies; and/or
- (iii) in collaboration with other organizations/group companies.

16. GENERAL

This CSR Policy shall be reviewed periodically to ensure its relevance and effectiveness. Any amendments to the CSR Policy shall be approved by the Board based on the recommendations of the CSR Committee.

Notwithstanding anything contained in this CSR Policy, no action pertaining to CSR activities shall be taken in contravention / deviation to the provisions of section 135 of the Act and of CSR Rules and applicable government guidelines, as amended from time to time.

Approved by the Board of Directors on November 15, 2023.

Sharad S Mohnot
Chief Compliance Officer
3P Investment Managers Private Limited

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