

SHAPOORJI PALLONJI INVESTMENT ADVISORS PRIVATE LIMITED (SPIAPL)			
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Scope:	Corporate	Proposed By:	
Version No:	002	Approved By:	

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

1. Introduction and Purpose

Shapoorji Pallonji Investment Advisors Private Limited (SPIAPL) is a responsible corporate citizen and understands the importance of sustainable growth and giving back to the society and environment. The Company believes in growing and moving forward in a sustainable manner by creating a positive impact on its surroundings. SPIAPL focuses on building a vibrant future for generations to come. SPIAPL aims at undertaking various CSR initiatives and activities and be a socially responsible company and acknowledging its role towards its stakeholders, the environment, its customers and employees.

The objective of the policy is to define SPIAPL Corporate Social Responsibility (CSR) approach in alignment with Section 135 of the Companies Act, 2013 read with applicable rules. Some of the key areas of development would be:

- improve the quality of life of people by undertaking projects/ activities/ initiatives including but not limited to slum and rural development projects, financial inclusion for the poor and underprivileged youth, providing safe drinking water, sanitation and hygienic living conditions at old age homes, schools and orphanages;
- provide health care facilities for the general well-being of the poor and underprivileged classes and provide access to specialized health care to people who require it but cannot afford it.
- enhance the standard of living by conducting educational programs, main target being underprivileged children; skill-based training and skill improvement programs; by assisting, including and uplifting differently abled persons, etc.
- environment sustainability, preservation and improvement by encouraging the use of renewable resources and finding, promoting and contributing to the use of alternative sources of energy; as far as practical, giving preference to investments in projects adopting energy

conservation material in construction; creating awareness on minimum waste, climate change and such other issues and ways to preserve the ecosystem.

2. CSR Vision

The vision of the Company and its Promoters is to promote Shared Development for every stakeholder of the Company, and the society at large.

3. CSR Policy and its applicability

This CSR Policy contains the broad outline of the type of activities which the Company shall carry out as CSR for the welfare and benefit of the environment and society at large along with the guidelines for implementation of the said Policy. The activities carried out under CSR shall fall within the scope of Schedule VII of the Companies Act, 2013 and the Annual Action Plan formulated by the Company and any amendments thereto.

The CSR Policy is applicable to all the employees of SPIAPL.

Areas of Focus

The Company shall undertake projects falling within the scope of the activities mentioned in Schedule VII of the Companies Act, 2013, as under:

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
- promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- 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.
- 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.
- 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;
- measures for the benefit of armed forces veterans, war widows and their dependents;
- training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports

- contribution to the prime minister's national relief 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;
- contributions or funds provided to technology incubators located within academic institutions which are approved by the central government.
- rural development projects.
- slum area development.
- disaster management, including relief, rehabilitation and reconstruction activities.

In the event of any amendments to Schedule VII of the Companies Act, 2013, as above, such amendments shall be automatically incorporated in the 'areas of focus' and any CSR contribution by the Company towards such activities shall be permitted. No separate amendment to this Policy will be required in this regard.

Exclusions from CSR activities:

The following activities shall not be considered as CSR, as per the provisions of the Companies Act, 2013:

- CSR projects or programs or activities undertaken out of India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level
- CSR projects or programs or activities that benefit only the employees of the Company and their family
- Contribution of any money, directly or indirectly, to any political party
- One off events/ activities such as marathons/ awards/ charitable contribution, which are on sponsorship basis for deriving marketing benefits for its products or services
- Expenses incurred for the fulfillment of any Act/ Statute of regulations (e.g. Labour laws, land acquisition act, etc.)
- Activities undertaken in pursuance of its normal course of business

4. Annual Action Plan

The CSR Committee shall formulate and recommend to the Board, a CSR annual action plan, consisting of matters as prescribed in the Companies (CSR Policy) Amendment Rules, 2021 (and any amendments thereto). The Board may modify such plan as per the recommendation of the CSR Committee, at any time during the financial year, based on reasonable justification.

5. CSR Expenditure

- It is the responsibility of the Board to ensure that the prescribed amount, as recommended by the CSR Committee, is spent towards CSR in every financial year and such amount is utilized for the purpose and in the manner approved by the CSR Committee.
- Mandatory expenditure of at least 2% of the average net profits made during the three immediately preceding financial years;
- Net profits shall be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013;
- CSR expenditure shall include all expenditure including contribution to corpus, or on projects or programs relating to CSR activities approved by the Board on the recommendation of the CSR Committee, but does not include any expenditure on an item not in conformity or not in line with activities which fall within the areas or subjects, specified in Schedule VII of the Act;
- 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 three financial years but such expenditure, including expenditure on administrative overheads, shall not exceed five percent of total CSR expenditure of the company in one financial year;
- The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of the CSR Policy and annual action plan or shall be transferred to a fund specified in Schedule VII with a period of six months of the expiry of the financial year;
- Any amount spent in excess of the mandatory expenditure requirement may be set off against the requirement to spend up to immediate succeeding three financial years, subject to the conditions mentioned in the Companies (CSR Policy) Amendment Rules, 2021.
- In case of an ongoing project, if any amount budgeted to be spent for the year remains unspent, then such an unspent amount shall be allocated towards such ongoing project for spending in any of the three succeeding financial years and will be transferred to the Unspent Corporate Social Responsibility account opened with a scheduled bank by the Company within 30 days from the end of the financial year.
- The treatment and disclosure of the unspent CSR amount shall be in accordance with the provisions of the Companies Act, 2013 and the Rules made thereunder, including any amendment thereto.

6. CSR Committee

Constitution

Pursuant to the provisions of the Companies Act, 2013, the CSR Committee shall consist of minimum two Directors of the Company. The Chairman of the Committee shall be decided mutually by the Members of the Committee.

Responsibility

The CSR Committee shall have the following responsibilities:

- Formulating and recommending a CSR Policy to the Board, which shall indicate the list of CSR projects or activities to be undertaken by the company as per Schedule VII of the Companies Act, 2013, the modalities of their execution and implementation schedules for the same;
- Recommending the amount of expenditure to be incurred in the activities referred to in the CSR Policy;
- Monitoring the CSR Policy of the Company from time to time and the process and progress of the enumerated CSR projects or programs; and
- Instituting a transparent monitoring mechanism for implementation of the CSR activities undertaken by the company.

Formulating and recommending a CSR annual action plan to the Board, which shall include matters as prescribed in the Companies (CSR Policy) Amendment Rules, 2021 and any amendments thereto.

Meetings

The CSR Committee shall meet as frequently as necessary. Minutes of each of the meetings convened and held shall be prepared and maintained.

The Committee may, at its discretion invite the Chief Executive Officer or any such person as it deems fit. Any external person or any external member of an Implementing Agency may attend the meetings of the CSR Committee and contribute and provide their inputs and suggestions on the implementation of the CSR projects enumerated in the Policy.

7. CSR Process

Project Identification

Projects, including multi-year or ongoing projects, shall be identified based on any one or combined inputs as stated below:

- Need based short-term and long-term initiatives on the identified theme areas;
- Engagement and deliberations with the key stakeholders, subject experts, competent organizations, consultancies, institutes and government authorities for project identification;
- Regulatory requirements as applicable.
- Annual Action Plan formulated by the Company

Project Planning

Identified projects will be presented in detailed project proposals, covering project objectives and realistic goals, impact areas, targets, various stakeholders to be involved, including project partners and recipients of projects, project timelines and resources required.

Project Implementation

Upon review and approval by the CSR Committee and Board, the projects will be implemented as per the plan and with the help of the partner organization. The project team would be provided with additional training, if required.

Selection of Partners

The project would be developed and implemented with the help of competent external partners. The external project partners would be selected on the basis of:

- Subject expertise
- Track record in the specific theme / focus area
- Ability to reach and benefit the community

Project Partners may include any one or more firms/ entities below:

- Competent NGOs, academic institutes, consulting organizations, local Government and District authorities and any other competent organizations having relevant expertise and experience.
- Individual subject experts and/or consultants may also be involved as project partners, whenever required.

Project Monitoring and Evaluation

The projects aim at effectively and transparently implementing CSR projects for underprivileged communities.

The project would be reviewed with the help of a set review and feedback mechanism to manage three R's (Reach, Resources, Results) with specified timelines.

The project timelines may be re-aligned, and resources be reallocated on the basis of project review.

Monitoring Mechanism

- Employees of the Company may visit the project site to review the progress of a program or the benefits of the program to the intended recipients.
- Organizations receiving funding will be required to provide evaluation information on a periodic basis with details on the status of the CSR activities, including details concerning the project deliveries, costs incurred and the break-up of expenses thereof; in a manner prescribed by the Company.
- Detailed reports shall be circulated to the CSR Committee Members and discussed at the Committee Meetings.

- A summary of these reports shall be tabled before the Board along with the suggestions or comments of the CSR Committee Members.
- The Company reserves the right to suspend payments to an organization that delays or fails to provide, to the Company's satisfaction, details concerning the use of the funding.

Information Dissemination

- Website of the Company, if any
- Emails featuring CSR projects and updates
- Corporate Presentation to reflect CSR
- Annual Report on CSR in compliance with the Companies Act, 2013 and the Rules framed thereunder.

8. Measurement of CSR Performance

Our goal is to maintain high quality standards on CSR reporting. In order to meet this goal, we will institutionalize a transparent measurement system. This will help us measure our performance against the set key performance indicators (KPIs) and best practices. The measurement process will also help set out future action plans.

9. Employee Volunteering

The employees of the Company are encouraged to initiate and participate in CSR activities undertaken by the Company.

10. Amendments

The CSR Committee reserves the right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification shall be inconsistent with the applicable provisions of the Act or any law for the time being in force.