

DSP

ASSET MANAGERS

**CORPORATE SOCIAL RESPONSIBILITY (CSR)
POLICY U/S 135 OF THE COMPANIES ACT, 2013**

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I. Background:

The Companies Act, 2013 (the Act) requires both public and private companies in India which have either (i) net worth of INR 500 crores or more or (ii) turnover of INR 1000 crores or more or (iii) net profit of INR 5 crores or more, within the immediately preceding financial year, to contribute 2% of their average net profits of the three preceding financial years to Corporate Social Responsibility initiatives or specify their reasons for not spending that amount in their Board of Director's annual reports.

II. Policy Statement

DSP Asset Managers Private Limited (the "Company") commits to conduct its business in a responsible, fair, transparent, and ethical manner and extend its' responsibility to create a meaningful social impact to the local communities by undertaking CSR activities in accordance with the applicable provisions of the Companies Act, 2013 ("Act") and rules issued thereunder.

III. Applicability and Regulations

This Policy applies to DSP Asset Managers Private Limited.

The provisions of the Companies Act, 2013 and relevant Rules made thereunder read along with Secretarial Standards shall prevail over the provisions of the Policy.

IV. Focus areas:

- a. In order to create a meaningful impact, during normal circumstances, the company will concentrate its CSR efforts in the following four areas, which will **account upto 95%** of its' fund allocations:
 - i. **Education (upto 30%):** Special emphasis on Primary education for underprivileged children.
 - ii. **Wildlife & Environment (upto 47%):** Projects focused on restoring ecological balance, protection of flora and fauna, protection of animals including collaborative efforts required to train and empower institutions protecting wildlife and raise awareness amongst the people.
 - iii. **Adolescence & Women empowerment (upto 10%):** Projects aimed at restoring gender equality – focusing on health, education, financial literacy, skill development, vocational training, etc. – and empowering them to make positive life choices.
 - iv. **Health including Mental Wellness (upto 10%):** Projects aimed to improve the health including but not limited to mental wellness, provide necessary support

(diagnosis, counselling, intervention, medication, etc)

- b. The Company shall also undertake other CSR projects/activities as listed in Schedule VII of the Act. However, allocation of funds to such projects/activities **shall not exceed 5%** of the yearly CSR budget.
- c. In the event of any natural calamities, pandemic or any other abnormal situations, the Company, with the approval of the Board, will focus on the urgent and emergency needs arising from these events which will lead to allocation of a significant portion of the CSR budget towards such activities thereby reducing the allocation to areas outlined in in paragraph III.a.
- d. The CSR projects/activities shall be undertaken in locations within India.
- e. The above thresholds may vary from time-to-time basis the approval by the Board of Directors of the Company.

V. CSR Organization:

- a. **CSR Committee:** The Board of Directors of the AMC has constituted a Corporate Social Responsibility Committee of Directors (“CSR Committee”) whose duties include:
 - i. developing a CSR policy,
 - ii. prepare and recommend to the Board an annual action plan for the CSR activities,
 - iii. recommending CSR activities to be undertaken and the amount of spending on each activity,
 - iv. lay down process for undertaking, implementing and monitoring CSR activities.
 - v. The Committee shall recommend contribution of upto 5% of total CSR expenditure of the Company in one financial year for building the CSR capacities of personnel for AMC.
- b. **CSR Cares:** This shall comprise of employees from various functions and shall have the following duties and responsibilities:
 - i. Recommend Policy changes to the CSR committee.
 - ii. Develop CSR strategies and project identification mechanism.
 - iii. Evaluation of NGOs, their proposals and allocation of funds.
 - iv. Coordinate CSR activities.
 - v. Administration of CSR budget and its allocation.
 - vi. Periodic assessment of the activities of NGOs supported by the Company and the impact generated.
 - vii. Periodic reporting to the CSR committee.

VI. Annual CSR Plan:

The Annual CSR Plan shall be placed before the Board of Directors of the Company based on recommendation of the CSR Committee which shall outline:

- i. Project Proposals
- ii. Targeted Beneficiaries and their key needs
- iii. Alignment with Schedule VII
- iv. Project Goals and milestones
- v. Activities and Timelines including expected closure dates.
- vi. CSR Budget with projections
- vii. Monitoring mechanism
- viii. Progress reporting and frequency of reports
- ix. Risks and mitigation strategies
- x. Any other information as may be required by the CSR Committee

VII. Compliance requirements of Corporate Social Responsibility as per Companies Act, 2013.

1. As per Ministry of Corporate Affairs notification dated January 22, 2021, the Central Government hereby makes rules to further to amend the Companies (Corporate Social Responsibility Policy) Rules, 2014, wherein the Board of Company shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
2. The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.
3. As per Ministry of Corporate Affairs notification dated February 11, 2022, the Central Government further amends the Companies (Accounts) Rules, 2014, which states that Company covered under the provisions of sub-section (1) to section 135 shall furnish a report on Corporate Social Responsibility in Form CSR-2 to the Registrar for the preceding financial year.

VIII. Modalities of Execution

- a. The day-to-day implementation and execution of CSR activities shall be carried out through CSR Cares.
- b. Execution will largely be in the form of support to non-profit and voluntary organizations (NGOs) focusing on activities included in paragraph III above.
- c. The Company will also support non-profit organizations which play the role of a catalyst in the themes/sectors identified in paragraph III (a) above by working with both philanthropists and social entrepreneurs and bring together knowledge, funding and

people. Their activities could be in the form of providing research on social issues to funders, conducting workshops and training for NGOs to build skills, providing a platform or forum for philanthropists to identify competent NGOs and for NGOs to raise funds.

- d. All such organizations shall have an established track record as specified in the Act (currently three years).
- e. The Company shall consider the following modes of support.
 - i. financial support (monetary donations, grants,)
 - ii. Sponsorship to workshops and training programs for NGOS to provide skill sets necessary to build and maintain a sustainable and scalable organization and accelerate their impact.
 - iii. in-kind giving
 - iv. other material support
 - v. employee volunteering (making time, skills, mentoring, etc.)
- f. The Company could seek assistance from firms specializing in the social sector for research on social issues, to identify NGOs with good track record, good governance standards, and a sustainable model, and for monitoring of projects.
- g. The Company will also encourage its employees to contribute to CSR initiatives by matching charitable donations rupee for rupee through a Matching Donation Program.
- h. The Company will encourage its employees to donate their time to local causes and will accommodate reasonable requests for time away from the office to engage in community activities.
- i. The following activities do not qualify as CSR Activities under the Companies Act, 2013:
 - i. Projects or activities not falling within Schedule VII
 - ii. Activities undertaken in pursuance of normal course of business.
 - iii. Projects or programs or activities that benefit only the employees of the Company and their families.
 - iv. Direct or indirect contribution to any political party
 - v. Activities supported by the Company on sponsorship basis for deriving marketing benefits for its funds or services.
 - vi. Activity undertaken outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at International level.
 - vii. Activities carried out for fulfilment of any statutory obligations under any law (such as Labour Laws, Land Acquisition Act., etc.) in force in India.

IX. CSR Budget

- a. At the commencement of each fiscal year the Board will approve an amount which shall not be less than as prescribed by the Act (Currently, a minimum of 2% of its average Net Profits in the immediately preceding three (3) financial years). Average Net profits shall

mean the net profits of the Company as per the Profit & Loss Statement prepared in accordance with the Companies Act, 2013; Net Profits shall exclude (a) profits arising from any overseas branch or branches of the Company (whether operated as a separate company or otherwise); or (b) dividend received from other companies in India.

- b. The surplus arising out of the CSR activities or projects shall not form part of the business profit of the Company and may be utilized either by transferring such amount to the same activity/project or transferring it to the Unspent CSR Account and spend it in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- c. Further, any amount spent in excess of its obligation may be set off against the requirement to spend up to immediate succeeding three financial years' subject to the conditions that:
 - i. Such Excess Amount shall not include any surplus, and
 - ii. The Board of the Company has passed resolution to give this a effect.
- d. Contributions by employees may also be received and utilized in respect of the CSR activities undertaken.
- e. The Company will aim to grow this core amount over time and, depending on the profitability of the Company, may make specific one-off donations.

X. Policy Review

The policy shall be reviewed on periodic basis and necessary changes, regulatory or otherwise, shall be carried out and updated in the said policy.
