

KATALYST ADVISORS PRIVATE LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. **CONTEXT:**

This Corporate Social Responsibility Policy (hereinafter referred to as “**CSR Policy**”) is framed by KATALYST ADVISORS PRIVATE LIMITED (“the Company”) in terms of the provisions of Section 135 of the Companies Act, 2013 (hereinafter referred to as “the Act”) read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time (hereinafter referred to as “the CSR Rules”).

This Policy encompasses our philosophy towards CSR and lays down guidelines and mechanisms for undertaking socially beneficial programs for welfare and sustainable development of the society at large.

2. **APPLICABILITY:**

The Company is governed by the provisions of this CSR Policy at all such time during which the Company fulfills the criteria as specified in sub-section (1) of Section 135 of the Act and sub-rule (2) of Rule 3 of CSR Rules.

This policy shall apply to all CSR initiatives and activities to be undertaken by the Company.

3. **OBJECTIVES OF THE POLICY:**

The objectives of the CSR Policy are to:

- a) Uplift the communities around its areas of operation, thereby creating a positive impact in the community;
- b) Identify interventions to ensure sustainable social development after considering the immediate and long-term socio-environmental consequences; and
- c) Generate community goodwill for the Company through its CSR initiatives and help reinforce a positive image of the Company as a socially responsible corporate entity.
- d) Uplift and empower Women, Children who are poor and under privileged.
- e) To provide medical aid and support people suffering from prolonged both physical and mental illness.

4. **DEFINITIONS:**

In this Policy unless the context otherwise requires:

- (a) “**Act**” means the Companies Act, 2013;
- (b) “**Administrative overheads**” means the expenses incurred by the Company for ‘general management and administration’ of Corporate Social Responsibility functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;
- (c) “**Board of Directors**” or “**Board**” means the collective body of the directors of the company;

- (d) **“Corporate Social Responsibility (CSR)”** means the activities undertaken by a Company in pursuance of its statutory obligation laid down in Section 135 of the Act in accordance with the provisions contained in CSR rules, but shall not include the following, namely:-
- i. Activities undertaken in pursuance of normal course of business of the company;
 - ii. Any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
 - iii. Contribution of any amount directly or indirectly to any political party under section 182 of the Act;
 - iv. Activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
 - v. Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
 - vi. Activities carried out for fulfilment of any other statutory obligations under any law in force in India.
- (e) **“CSR Committee or the Committee”** means the Corporate Social Responsibility Committee of the Company set up in pursuance of Section 135 of the Act;
- (f) **“Fund” or “CSR Fund”** means a funds are specifically specified under Schedule VII for the purposes of sub-section (5) and (6) of Section 135 of the Act, the unspent CSR amount, if any, shall be transferred by the Company to any fund included in Schedule VII of the Act;
- (g) **“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;
- (h) **“International Organisation”** means an organisation notified by the Central Government as an international organisation under section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), to which the provisions of the Schedule to the said Act;
- (i) **“Ongoing Project”** means a multi-year project undertaken by the Company in fulfilment of its CSR obligation having timelines not exceeding 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 one year by the board based on reasonable justification;
- (j) **“Permissible CSR Activities”** means such activities as specified in Schedule VII of the Act, as amended from time to time;
- (k) **“Public Authority”** means ‘Public Authority’ as defined in clause (h) of section 2 of the Right to Information Act, 2005 (22 of 2005);
- (l) **“Rules”** means the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Words and expressions used in this CSR Policy and not defined hereinabove but defined in the Act shall have the meaning respectively assigned to them in the Act.

5. CONCEPT OF CSR:

The Corporate Social Responsibility (CSR) is a medium to return to the Society a part of the resources acquired from them and to create a sense of responsibility. The CSR is a process with the aim to embrace responsibility for the actions of the Company and encourage a positive impacts through activities on the environment, society and in general all other members of the public.

Our Company believes growth of the business can be sustained through profit from the business, growth of the people around the business and distribution of the profit to its stakeholders and through the CSR activities some part of the growth can be distributed to its unseen stakeholders.

Vision Statement

Endeavour to serve the society and improve quality of life for all our communities through integrated and sustainable development in every possible way.

Mission Statement

Strive to improve the quality of life of the members of the society.

6. DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS:

The Board of Directors of the Company shall:

- a.** Approve the CSR Policy after taking into account the recommendations made by the CSR Committee if any, and disclose the contents of such policy in its Board Report and also place it on the Company's website, if any.
- b.** Ensure that the activities as are included in CSR Policy of the Company and such activities are undertaken by the Company in the manner prescribed in CSR rules.
- c.** Ensure that the Company spends, in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of its CSR Policy.

Provided that if the company fails to spend aforesaid amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

- d. Satisfy itself that the amounts disbursed in respect of fulfillment of CSR obligation have been utilized for the purposes and in the manner as approved by it and the Board of Directors shall certify to the effect.
- e. Monitor the implementation of the ongoing project, if any, with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.
- f. Ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

7. CSR COMMITTEE:

The Company, if required, shall constitute CSR Committee consist of minimum 3 (three) Directors, however if the total number of directors of the Company are 2(two) then in such case CSR Committee shall consist of 2(two) directors.

Where the amount to be spent by a Company under sub-section (5) of section 135 does not exceed fifty lakhs rupees or any other limit as may be prescribed from time to time, the requirement under sub-section (1) of section 135 for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such committee provided under section 135 shall, in such cases, shall be discharged by the Board of Directors of the Company.

8. ACTIVITIES TO BE UNDERTAKEN:

8.1 ACTIVITIES:

The Activities under Schedule VII of the Companies Act, 2013 to be undertaken by the Company are as follows:

- Eradicating hunger, poverty and malnutrition “promoting health care including preventive health care” and sanitation and making available safe drinking water.
- Promoting education, including special education and employment enhancing vocational 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

- 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 govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- **(a)** 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

(b) 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 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).]

- Rural development projects.
- Slum area development.
- Disaster management, including relief, rehabilitation and reconstruction activities.

8.2 ANNUAL ACTION PLAN:

The CSR Committee if any, shall formulate and recommend to the Board, an annual action plan in pursuance of CSR policy, which shall include the following, namely:-

- a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- b) the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4 of the CSR rules;
- c) the modalities of utilization of CSR obligation and implementation schedules for the projects or programmes;
- d) monitoring and reporting mechanism for the projects or programmes; and
- e) details of need and impact assessment, if any, for the projects undertaken by the Company:

Provided that the Board as per recommendation of CSR Committee if any, may approve and/or alter the annual action plan, at any time, during the financial year, based on the reasonable justification to that effect.

The CSR Committee shall formulate an annual action plan from beginning with the Financial Year.

8.3 CSR OBLIGATION & EXPENDITURE:

- a) The CSR obligation towards CSR initiatives shall be at least two percent of the average net profits of the Company made during the three immediately preceding financial years calculated in accordance with the provisions of Section 198 of the Act towards CSR initiatives.
- b) Any surplus arising out of the CSR projects or programs 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 this CSR policy and annual action plan of the company or transfer such surplus amount to a funds specified in Schedule VII, within a period of six months of the expiry of the financial year.
- c) Where the Company **spends an amount in excess of requirement** provided under Section 135(5), such excess amount may be set off against the requirement to spend under Section 135(5) up to immediately succeeding 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 the CSR rules.
 - ii. The Board of the company shall pass a resolution to that effect.
- d) The administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.
- e) The Company undertaking impact assessment, if any, may book the expenditure towards CSR for that financial year, up to such limit as may be prescribed under the CSR rules.
- f) The CSR amount may be spent by the Company for creation or acquisition of a capital asset, which shall be held by –
 1. a company established under section 8 of the Act, or a registered public trust or a registered society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4 of CSR rules; or
 2. beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
 3. A public authority.

Provided that if any capital assets created by the Company prior to the Commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, i.e. 22nd January, 2021, such assets shall be transferred to the Unspent CSR account under Rule 7(4) of CSR Rule, within 180 days from the

commencement of this rule which may be extended by a further period of 90 days with the approval of Board based on reasonable justification.

- g) **Unspent amount**, if any, for the financial year, unless it is earmarked for an Ongoing Project referred to in section 135(5), shall be transferred to funds specified in Schedule VII of the Act, within a period of 6 months from the end of the financial year.
- h) Unspent amount, if any, for the financial year, pertaining to an Ongoing Project fulfilling conditions as prescribed in CSR rules and undertaken in pursuance of CSR policy, shall be transferred to a special bank account i.e. Unspent Corporate Social Responsibility Account of the Company within a period of 30 days from the end of financial year and such unspent amount shall be spent by the Company in pursuance of its obligation towards CSR policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a funds specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

8.4 **IMPLEMENTATION OF CSR PROJECTS:**

- a) The CSR will be undertaken as per the programs and/or projects to be undertaken from the activities prescribed under schedule VII and identified by the Board of Directors from time to time.
- b) The Board shall ensure that the CSR activities are undertaken by the Company itself or through –
 - i. a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961, established by the company, either singly or along with any other company, or
 - ii. a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
 - iii. any entity established under an Act of Parliament or a State legislature; or
 - iv. a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

Provided that if an entity intends to undertake any CSR activity must have CSR Registration certificate/unique CSR Registration Number as provided by the concerned Registrar of the Companies.

- c) The company may engage international organizations for designing, monitoring and evaluation of the CSR projects or programmes as well as for capacity building of their own personnel for CSR.
- d) The company may also collaborate with other companies for undertaking projects or programmes 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 programmes.

8.6 MONITORING AND IMPACT ASSESSMENT:

A. MONITORING:

The Board of Directors of the Company shall also monitor the CSR Programmes / Projects in such manner and on such periodicity as may be required by the Act / the Rules.

B. IMPACT ASSESSMENT:

The Company, as per direction of the CSR Committee if any, may carry the impact assessment for any one of the programs or projects to assess or improve the effectiveness of CSR spend, which will enable the committee for its further disposal CSR Obligation and presentation before the Board.

However, if the Company falls under the threshold limit as prescribed under Rule 8(3) of the Companies (CSR Policy) Rules, 2014, then the Company shall undertake impact assessment through an independent agency for their CSR projects having outlays and completion period as prescribed under the CSR rules and such impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

9. CSR REPORTING:

- a) The Board's Reports shall also include an annual report on CSR containing particulars as specified in the format prescribed in CSR rules.
- b) The Composition of the CSR Committee and CSR Policy and Projects approved by the Board shall be disclosed, if required, on the website, if any, of the Company as per CSR Rule.
- c) The Board will ensure that the statutory requirements as may be prescribed from time to time under the Companies Act, 2013, as amended and the CSR Rules are complied with.

10. GENERAL:

- a. All the members of the CSR Committee, the CSR Council, the CSR Partners, Employees, External Professionals and other person connected and attached with this CSR Policy must follow norms of confidentiality, if and as applicable.
- b. If it is observed that any CSR Activity taken up for implementation is found not properly implemented, the CSR Committee may, with approval of the Board, may discontinue funding the project at any time during the course of implementation and use such amounts for any other project.
- c. The CSR Committee shall have the power to clarify any doubts or rectify any anomalies that may exist in connection with the effective execution of this CSR Policy.

11. AMENDMENT:

The Board of Directors are empowered to amend the CSR Policy. The Board may subject to compliance with applicable law, at any time approve, alter and amend the CSR Policy, as it deems fit to comply with the statutory obligation to undertake the CSR Activities.

This is policy is approved in the Board Meeting of the Company held on 15th June, 2022

For Katalyst Advisors Private Limited

Mr. Ketan Arvind Dalal
Managing Director