

Corporate Social Responsibility Policy

Applicable to

Parag Parikh Financial Advisory Services Limited

November 2023

I. CONCEPT AND VISION

The Company intends to make a positive difference to society and contribute its share towards the social cause of betterment of society and area in which company operates. The Company also believes in the trusteeship concept. This entails transcending business interests and working towards making a meaningful difference to the society.

In this regard, the Company has made this policy which encompasses the Company's philosophy for delineating its responsibility as a Corporate Citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large and titles as the "Corporate Social Responsibility (CSR) Policy" which is based as per the Companies Act, 2013 and rules made there under.

This policy has been formulated and adopted by the Board of Directors of the Company. The Board may amend or modify this CSR Policy as and when necessary.

II. DEFINITIONS

- Board means Board of Directors of the Company.
- Corporate Social Responsibility (CSR)" means the act
- Activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Companies Act, 2013 and in accordance with the provisions contained in the rules, but shall not include the following, namely:-
 - (i) activities undertaken in pursuance of normal course of business of the company:
Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that-
 - (a) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;
 - (b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;
 - (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.
 - (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;
- Company means Parag Parikh Financial Advisory Services Limited.
- "Net profit" means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Companies Act 2013, 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:

Provided that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381, read with section 198 of the Act;

- “Ongoing Project” means a multi-year project undertaken by a 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.

Words and expressions used in this policy and not defined herein but defined under the Companies Act, 2013 shall have the same meanings respectively assigned to them.

III. CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

The Company shall with necessary approval of the Board, can undertake any of the following activities, as part of its corporate social responsibility initiatives, which are defined in Schedule VII of the Companies Act 2013;

1. 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;
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
3. 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;
4. 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];
5. 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;
6. Measures for the benefit of armed forces veterans, war widows and their dependents;
7. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
8. 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 govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

9. Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

10. rural development projects

11. slum area development

Explanation.- 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.

12. Disaster management, including relief, rehabilitation and reconstruction activities.

Provided that, the CSR projects and programs or activities that benefit only the employees of the Company and their relatives shall not be considered as CSR activities.

Also, the CSR activities undertaken in India only will be taken into consideration, in order to satisfy the requirement of section 135 of the Companies Act 2013.

IV. IMPLEMENTATION AND MONITORING OF THE CSR ACTIVITIES

- For achieving its CSR Initiatives and Activities through implementation of meaningful & sustainable CSR programs, the Company needs to allocate, in every financial year, at least 2% (two per cent) of the average net profit made by the Company during the three immediately preceding financial years.
- If in case the Company fails to spend such 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 prescribed amount and, unless the unspent amount relates to any ongoing project referred hereinafter, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- Any amount remaining unspent as given hereinabove, pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

- The Board shall ensure that the CSR activities are undertaken by the company itself or through –
 - (a) a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company; or
 - (b) 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
 - (c) any entity established under an Act of Parliament or a State legislature; or
 - (d) a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

Explanation.- For the purpose of clause (c), the term “entity” shall mean a statutory body constituted under an Act of Parliament or State legislature to undertake activities covered in Schedule VII of the Act.’.

All implementing partners sufficing any of the above-mentioned conditions, will need to register themselves with the Central Government by filing e-form CSR-1 electronically and obtain a unique CSR Registration Number from the MCA.

The Company may also collaborate with other companies to undertake CSR Projects or Programs, provided that the Board of the respective Company are in the position to report separately on such projects or programs.

- Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent 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.
- Where a company spends an amount in excess of requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate 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 this rule.
 - (ii) the Board of the company shall pass a resolution to that effect.
- CSR expenditure shall include all expenses including contribution to corpus for projects or programs relating to CSR activities approved by the Board., but should not include any expenditure on an item not in conformity or not in line with the activities which fall within the purview of Schedule VII of the Act.
- In case of ongoing project, the Board of a Company shall monitor the implementation of the project 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.

- The Board will be responsible to 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.

V. CSR REPORTING

The report of the Board of Directors of the Company shall include an annual report on CSR activities in the prescribed format and the Company shall also display the CSR Policy and Projects approved by the Board on its website. The impact assessment reports wherever applicable shall be placed before the Board and shall be annexed to the annual report on CSR.
