

MARCELLUS INVESTMENT MANAGERS PRIVATE LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

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1	1 st Policy	30 th July 2021	Compliance Team	V.1	Board of Directors
2.	Revision of policy	16 th August 2023	Compliance Team	V.2	Board of Directors

PREMBLE

This the Corporate Social Responsibility Policy of Marcellus Investment Managers Private Limited (“MIPL”). The policy has been framed in accordance with section 135 of the Companies Act, 2013, the CSR rules, 2014 issued by the Ministry of Corporate Affairs (“MCA”).

OBJECTIVE

The main objective of the CSR policy is to act as a guideline to the company to carry out efficiently the Corporate Social Responsibility for sustainable development of society and its surroundings. The main objective being initiating a positive change in the society.

KEY WORDS & MEANINGS

“**Act**” means the Companies Act, 2013 as amended from time to time.

“**Board**” shall mean the Board of Directors of the Company.

“**CSR Activities**” shall mean all the Corporate Social Responsibility activities programs / initiatives of the company on its own or through accepted channels as specified in Schedule VII to the Act (as amended from time to time) in and around the local area, as recommended by the CSR Committee and approved by the Board.

“**CSR Committee**” shall mean the Corporate Social Responsibility Committee as constituted by the Board of Directors and approved in the board meeting of the Company in accordance with the Act and the Rules made thereunder, comprising of Two or more Directors .

“**CSR Expenditure**” shall mean all CSR expenditure as recommended by the CSR Committee and approved by Board of Directors for CSR Activities.

“**CSR Policy**” means the Policy approved by the board as the Corporate Social Responsibility Policy of the company as amended from time to time.

“**CSR Rules**” or “**Rules**” means Companies (Corporate Social Responsibility Policy) Rules 2014 and amendment brought in from time to time.

“**Financial Year**” shall mean the period beginning from 1st April of every year to 31st March of the succeeding year.

“**Focus Areas**” shall mean the areas or activities Prescribed in this Policy, as amended by the CSR Committee, from time to time.

“**Local Areas**” means area around the registered office of the company . Preference should be given to local areas and areas around the Company where it operates.

“**Net profit**” shall mean the net profit as per the Act and Rules based on which the specific percentage for CSR expenditure has to be calculated as per section 198 of the Act.

Schedule VII” means Schedule VII of the companies Act , 2013 within which the list of eligible activities for CSR are listed.

Trust” means a Trust created and registered under the India Trusts Act, 1882 by the Company and includes a Trust jointly created and registered by the Company with all or any of its Group Companies.

APPLICABILITY

The policy shall be applicable to all CSR Activities of the Company, whether carried by itself or through any implementation agency.

CSR COMMITTEE

1. Constitution

In terms of section 135 of the Companies Act, 2013 and the Rules made thereunder, Board of Directors of the Company shall constitute a CSR Committee.

As per the provisions of the Act, the committee of the Board of Corporate Social Responsibility shall comprise of two or more Directors and details of the committee shall be disclosed by the Board of Directors of the Company in its Report.

2. CSR Committee Functions

- i. Review of CSR Policy
- ii. To recommend the amount of expenditure to be incurred on the CSR activities.
- iii. To monitor the implementation of framework of CSR Policy.
- iv. In discharge of CSR functions of the Company, the CSR Committee shall be directly responsible to the Board for any act that may be required to be done by the CSR Committee in furtherance of its statutory obligations.
- v. To formulate an annual action plan for the year. Annual report to the Board, the status of the CSR activities and contributions made by the Company.
- vi. To carry out any other function as mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable, necessary or appropriate for performance of its duties.
- vii. To monitor the activities of partnering organization.

3. Meeting of the Committee

The meetings of the Committee could be held at such periodic intervals as may be required.

4. Quorum

Minimum two (2) members shall constitute a quorum for the Committee meeting.

ROLE OF THE BOARD OF DIRECTORS

- i. Approve the draft CSR Policy and amendment brought in later from time to time.
- ii. Ensure that the CSR activities included in this Corporate Social Responsibility Policy are undertaken by the CSR Committee.
- iii. The Board of the Company may decide to undertake its CSR Activities approved by the CSR Committee, either itself or through a registered trust or a registered society or a Company established under section 8 of the Act by the company, either singly or along with subsidiary or associate company, or along with any other company or holding or subsidiary or associate company of such other company, or otherwise provided that – If such trust, society or company is not established by the company, either singly or along with its holding or subsidiary or associate company, or along with any other company or holding or subsidiary or associate company of such other company, it shall have an established track record of three years in undertaking similar programs or projects/activities;
- iv. Ensure that in each financial year the Company spends at least 2% of the average net profits of the company made during the three immediately preceding financial years, calculated in accordance with Section 198 of the Act, in pursuance of its CSR policy. Further, while spending the amount earmarked for CSR activities, preference should be given to local areas and areas around the Company where it operates;
- v. To ensure that the unspent CSR funds have been properly disposed off/utilized/transferred so as to not breach the provisions of the Act.

FOCUS AREAS

As per the CSR Policy and in accordance with the CSR provision and rules, the committee and board of directors will focus on the local areas and in CSR programs as specified in schedule VII. The committee will decide every year in their annual action plan on which CSR activity the fund must be expended on.

Only those projects that are over and above the normal course of business, that do not benefit only the Company, company's employees and their families, are treated as CSR projects within the realm of Section 135 of the Companies Act 2013. Any profit earned from the CSR activities shall be re-invested in CSR Activities.

FUNDING AND ALLOCATION

The Company shall, in every financial year, contribute a statutory minimum limit of at least 2% of its Net Profits for the CSR Expenditure. The CSR Committee shall prepare its annual planned expenditure, for a financial year, for the CSR Activities including the thrust areas and manner of implementation etc. and submit the same for approval of the Board in the Annual Action Plan.

The CSR committee shall decide on the total amount to be contributed and the mode of contribution, to identify the projects/areas for CSR activities and traches of disbursement. The CSR Committee may recommend to contribute funds for building the CSR capacities of own personnel as well as 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 5 % of the total CSR expenditure of the Company in one financial year.

Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company. Any income arising from the Contribution received and surplus arising out of the CSR activities will be used for CSR Activities only.

IMPLEMENTATION

This CSR Policy will be implemented from the Financial Year in which the Company adopts it in Board Meeting. Based on the net profits, if any, every financial year, the CSR Committee will identify the CSR Activities including the focus areas, annual budget, planned expenditure and implementation schedule etc. The company may contribute/ spend towards the CSR Activities either directly or through partnering organization or by way of donation in the approved fund(s).

PARTNERING ORGANIZATION

While entering in partnership with organizations for CSR activities, the Company shall ensure that the said organization have good track record of service, performance, accountability and fulfills such other parameters as provided under the provisions of the Act and the criteria as may be laid down by Committee from time to time.

While partnering with NGO for CSR activities, the CSR Committee shall execute the memorandum of understanding which should include key roles and responsibilities of each of the parties.

IDENTIFICATION OF CSR PROJECTS:

The CSR committee with approval of Board will be tasked with the identification if CSR projects:

- i. CSR Projects need to be identified and planned for approval of the CSR Committee, in particular in thrust areas, with estimated expenditure and phase wise implementation schedules.
- ii. The Company shall ensure that in identifying its CSR Projects, preference shall be given to the local area and areas around which the Company (including its Units) operates. However, this shall not bar the Company from pursuing its CSR objects in other areas.
- iii. The CSR Committee may engage external professionals/firms/agencies if required, for the purpose of identification of CSR Projects.
- iv. CSR Projects shall be as per CSR Activities prescribed under the Act.

MONITORING AND REPORTING FRAMEWORK

The CSR committee and the Board in compliance with the Act and to ensure funds spent on CSR Activities are creating the desired impact on the ground a comprehensive monitoring and reporting framework has

been put in place. The CSR Committee shall monitor the implementation of the CSR Policy through periodic reviews of the CSR Activities. The activities of the partnering organization would also be monitor by the CSR Committee.

The committee and board will make sure that they adhere to the compliance laid down in the Companies Act and the relevant CSR rules. Any unspent amount shall be delt with as per provisions of the Act.

DISCLOSURE OF THE POLICY

The CSR policy recommended by the CSR Committee and approved by the Board shall be displayed on the Company’s website and shall be disclosed in the Board’s report as well.

The CSR Committee will also make a responsibility statement in the Annual Report stating that the CSR Policy implementation and monitoring thereof is, in letter and spirit, in compliance with its CSR objectives.

MISCELLEANOUS

This policy shall be updated from time to time, by the Company in accordance with the amendments, if any, to the Act, rules made thereunder or any other applicable enactment for the time being in force and any amendment that is notified in MCA.
