



CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

For

CARNELIAN ASSET MANAGEMENT AND ADVISOR PVT LTD

Document Control

Item	Description
Document Title	CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY
Current Document Owner	Monica Sharma
Document Classification	Policy

Version	Prepared by	Reviewed By	Approved by	Approval date
1	SK Dutta	Pankaj Namdharani	Board of Directors	17-01-2025



Contents

1.	Introduction.....	3
2.	Legal Applicability.....	3
3.	Objective and Scope.....	3
4.	Eligible CSR Activities/ Broad areas:.....	4
5.	CSR Expenditure.....	5
6.	Failure to spend the CSR Money	5
7.	CSR Initiatives.....	5
8.	Reporting and publication of CSR policy	6
9.	Website Display	6
10.	Monitoring Mechanism.....	6
11.	Policy review and future amendment	6
12.	Annexure A - CSR Activities:	7

1. Introduction

Carnelian Asset Management And Advisors Pvt Limited (hereinafter referred to as "the Company") is committed to undertake CSR activities in accordance with the provisions of Section 135 of the Indian Companies Act, 2013 ("Act") and related rules made thereunder. Our Company is committed too our stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical.

2. Legal Applicability

The Corporate Social Responsibility concept in India is governed by Section 135 of the Companies Act, 2013 ('Act'), Schedule VII of the Act and Companies (CSR Policy) Rules, 2014 wherein the criteria has been provided for assessing the CSR eligibility of a company, implementation and reporting of their CSR activities. The CSR need to be mandatorily implemented if

- Companies has a net worth of at least 500 crore rupees, or
- Companies has a turnover of at least 1000 crore rupees, or
- Companies has a net profit of at least 5 crore rupees

in the immediately preceding financial year. The mandatory CSR contribution for companies in India is 2% of their average net profit for the previous three financial years.

Basis the above criteria, the CSR provisions are applicable to the Company since Financial Year 2024-25 and this policy is being implemented accordingly.

3. Objective and Scope

3.1. Objective

The main objective of the CSR Policy is to lay down guidelines for Company to make CSR as one of the key focus areas to adhere to global interest in environment and society that focuses on making a positive contribution to society through effective impact and sustainable development programs. This Policy covers the type of CSR activities proposed to be undertaken by the Company in accordance with Schedule VII of the Act as amended from time to time. The Policy also covers the CSR activities which are proposed to be carried out in India.

The objective of the CSR policy is to:

- Understand what CSR means to us and the approach adopted to achieve our goals
- Elaborate the kind of projects that will come under the ambit of CSR and identify broad areas in which the company will undertake projects
- Serve as a guiding document to help execute and monitor CSR projects
- Elucidate criteria for partner implementation agencies
- To establish a process and mechanism for the implementation and monitoring of the CSR activities for the Company
- Lay down the manner in which the surpluses from CSR projects will be treated

3.2. Scope & Coverage

The CSR activities of the Company shall include but not limited to any or all of the sectors/activities as may be prescribed by Schedule VII of the Companies Act, 2013 amended from time to time. Further, the Company will review the sectors/activities from time to time and make additions/ deletions/ clarifications to the above sectors/activities, at the discretion of the Board.

4. Eligible CSR Activities/ Broad areas:

The Company proposes to implement its CSR activities, as determined by the CSR Committee of the Company in various sectors stated hereunder, which fall within the purview of the Schedule VII of the Act, as tabulated in **the Annexure A** of this document

Governance Structure

We have constituted a robust and transparent governance structure to oversee the implementation of our CSR Policy, in compliance with the requirements of the Act.

4.1. Constitution of the CSR Committee

The Board of Directors is authorized and empowered to constitute or reconstitute the CSR committee ("CSR Committee"). Members of the CSR Committee may be replaced by any other member by Board of Directors of the Company. The committee will report to our Board of Directors.

Following shall be the members of the CSR Committee until the committee is reconstituted by the Board of Directors.

- | | |
|-----------------------|---------------|
| a) Vikas Khemani | DIN: 00065941 |
| b) Swati Khemani | DIN: 03130201 |
| c) Manoj Kumar Bahety | DIN: 07832243 |

4.2. Functions and Powers of Committee

To effectively implement the objectives of the Company with respect to CSR, the Committee is vested with the following functions and powers:

- i) Formulate CSR Policy and recommend to the Board of Director of the Company for his approval. Once the CSR policy is approved by the Board of Director, the same shall be placed before the Board for their approval;
- ii) Recommend CSR activities as stated under Schedule VII of the Act;
- iii) Approve to undertake CSR activities and report the same in accordance with the CSR Rules;
- iv) Recommend the CSR Budget subject to the approval of the Board of Director of the Company;
- v) Spend the allocated CSR amount on the CSR activities/projects once it is approved by the Board of Director of the Company in accordance with the Act and the CSR Rules;
- vi) Create transparent monitoring mechanism for implementation of CSR initiatives in India;
- vii) Submit progress reports to the Board of Director of the Company and further to the Board of Directors, at-least once a year, in respect of the CSR activities undertaken by the Company; and
- viii) Monitor CSR Policy from time to time.

4.3. Meetings of the Committee

The CSR Committee shall meet at least once annually. Members of the CSR Committee can mutually agree upon a time and place for the said meetings. Two members of the Committee shall constitute a quorum. The members of the CSR Committee may participate in the meeting either in person or through telephone conferencing or other audio/visual means in accordance with the provisions of the Act and rules made thereunder from time to time.

The Board of Directors shall be informed on the progress of various CSR projects at-least once a year.

5. CSR Expenditure

The Companies Act, 2013 prescribes that the companies which meet the aforesaid criteria (specified U/s. Sec. 135 of the Act) shall allocate 2% of average annual net profits (calculated as per Section 198 of the Act) during the three immediately preceding financial years to be spent on CSR Activities within India in the current financial year.

Accordingly, the Company shall spend a minimum of 2% of its average net profits (computed as stated in the previous paragraph) 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 Act. The net profits shall exclude the dividend received from other companies in India. The CSR expenditure shall include all expenditure including contribution to corpus or on projects or programs relating to CSR activities approved by the Board of Director of the Company on the recommendation of its CSR Committee.

Any surplus generated from CSR projects undertaken by us will be tracked and channelized into our CSR corpus. These funds will be further used in development of the CSR projects and will not be added to the normal business profits. In any year, where the Company has spent in excess of its CSR obligation, such excess spending shall be available for set off against the Company's CSR obligations for up to the next three financial years in accordance with Applicable Law, and the Board shall be competent to pass a resolution in this regard.

6. Failure to spend the CSR Money

If the Company fails to spend the required amount in a particular financial year, it is the duty of the Committee to submit a report in writing to the to the Board of Directors specifying the reasons for not spending the amount, which shall be reported by the Board of Directors in their Annual Report pertaining to that particular Financial Year.

7. CSR Initiatives

In line with Schedule VII of the Act and the CSR Rules, the Company shall undertake CSR activities, as recommended by the CSR Committee. The CSR Committee is authorized to approve, modify or reject any CSR projects undertaken/ proposed to be undertaken by the Company during the financial year under review.

The Company may collaborate with other affiliates or any other company as may be approved by CSR Committee to implement CSR activities and the same shall form a part of the CSR ctivities. The Company may form trusts on its own to carry out CSR activities in accordance with the CSR Rules and to administer its CSR activities. Collaboration of its CSR activities with other affiliates or any other company shall be

approved by the Board of Director of the Company, and towards this effort, the Company may jointly along with other affiliates or any other Company form Trusts to administer the CSR activities.

Annual CSR Plan

The Annual CSR Plan is a yearly plan of CSR activities that may be placed before the Board of Directors of the Company. The said plan shall inter alia the following aspects of CSR initiatives of the Company:

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

8. Reporting and publication of CSR policy

The Board of Directors in its annual report shall include the details of the CSR activities undertaken in the financial year. The CSR Committee shall provide a responsibility statement on the implementation and monitoring of the CSR Policy and that it is in compliance with CSR objectives of the Company, which statement shall form part of the Directors' report

9. Website Display

The Company shall display on its website the contents of its CSR Policy and other information as may be required to be displayed under the Act.

10. Monitoring Mechanism

- i) The CSR Committee shall be apprised on the implementation of the CSR activities and the progress shall be monitored minimum once in a year.
- ii) The Company shall through its internal controls, monitoring and evaluation systems implement, assess, document and report the impact of its CSR activities/projects.
- iii) Records relating to the CSR activities and the CSR expenditure shall be accurately maintained

11. Policy review and future amendment

In the event of any conflict between the provisions of this Policy and of the Applicable Law, the provisions of Applicable Law shall prevail over this Policy. Any subsequent amendment / modification to the Applicable Law shall automatically apply to this Policy. The CSR Committee may review this Policy periodically and recommend amendments for the Board's approval from time to time, as may be deemed necessary.

Annexure A

12. CSR Activities:

The Company proposes to implement its CSR activities, as determined by the CSR Committee of the Company in various sectors stated hereunder, which fall within the purview of the Schedule VII of the Act:

- i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swacch Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
- ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- iii) 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.
- iv) 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.
- v) 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;
- vi) Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- vii) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.
- viii) 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;
- ix) (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) Contribution 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 Défense Research and Development Organization (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).

- x) Rural development projects
- xi) 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.)
- xii) Disaster Management including relief, rehabilitation and reconstruction activities.

The Company will review the sectors from time to time and make additions, deletions or clarifications to the above sectors or in line with the directives of applicable law.