

DHFL Pramerica Asset Managers Private Limited

Corporate Social Responsibility Policy

April 2017

DHFL Pramerica Asset Managers Private Limited (hereinafter referred to as “the Company”) believes in engaging and giving back to the community in a good way and in line with the Companies commitment to philanthropy. It intends to undertake the CSR activities strategically, systematically and more thoughtfully to community development through its various CSR programs and projects well before the CSR provisions / rules were effective under the Companies Act, 2013 (Act).

This policy, which encompasses the company’s philosophy for delineating its responsibility as a corporate citizen, lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large, is titled as **“DHFL Pramerica Asset Managers - Corporate Social Responsibility Policy”**

This policy aims to ensure that the Company as a socially responsible corporate entity contributes to the society at large.

1. Vision and Mission

To actively engage in philanthropic programs in an effort to promote the enrichment of the society.

2. Definitions

(a) “Act” means the Companies Act, 2013

(b) "Corporate Social Responsibility (CSR)” means and includes one or more activities which is in conformity with Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy)Rules, 2014 and Schedule VII of the Companies Act, 2013 as enumerated below:

- (i) “Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;
- (ii) Promoting education, including special education and employment and 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 centres 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;
- (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 arts and handicrafts;
- (vi) Measures for the benefit of armed forces veterans, war widows and their dependents;

- (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 any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the scheduled Tribes, other backward classes, minorities and women;
 - (ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
 - (x) Rural development projects.”
- (c) “CSR Committee” means the Corporate Social Responsibility (CSR) Committee constituted/reconstituted by the Board from time to time in terms of the requirements of section 135 of the Companies Act, 2013 and other applicable provisions of the Act.
- (d) "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 135of the Act:

Provided that net profit in respect of the financial year for which the relevant financial statements were prepared in accordance with the provisions of the Companies Act, 1956(1 of 1956) shall not be required to be re- calculated in accordance with the provisions of the Act.

Provided further that incase of 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 of section 381 read with Section 198 of the Act.

3. Corporate Social Responsibility Committee

(a) Composition

The Company has a duly constituted a CSR committee comprising of three directors, two directors being Non - Executive Associate Directors and one being an Non – Executive Independent Director. The Chairman of the Committee is a Non-Executive Independent Director. The Company Secretary shall act as a Secretary to the CSR Committee.

| Sr. No. | Name of the Director | Status |
|----------------|-----------------------------|---------------------------------|
| 1 | Mr. C. P. Philip | Independent Director (Chairman) |
| 2 | Mr. Suresh Mahalingam | Associate Director |
| 3 | Mr. Glen Baptist | Associate Director |

(b) Terms of Reference

- (i) To establish and review corporate social responsibility policies;
- (ii) To identify, segment and recommend the CSR projects/programs/activities to the Board of Directors;
- (iii) To recommend the amount of expenditure to be incurred on the activities as identified for CSR by the Company;
- (iv) To oversight the implementation of corporate social responsibility projects/programs/ activities;
- (v) To review the annual budgets/expenditure with respect to corporate social responsibility programs;
- (vi) To work with the management to establish and develop the Company's strategic framework and objectives with respect to corporate social responsibility matters;
- (vii) To receive reports on the Company's corporate social responsibility programs/projects/activities;
- (viii) To establish and review the implementation mechanism for the CSR programs/projects/activities undertaken by the Company;
- (ix) To establish and review the monitoring mechanism of CSR projects/programs/activities;
- (x) To review the CSR Initiatives and Programs/projects/activities undertaken during the year;
- (xi) To review the Company's disclosure relating to corporate social responsibility matters in accordance with the requirements of the regulatory provisions;
- (xii) To obtain legal or other independent professional advice/assistance, and
- (xiii) To form and delegate authority to any sub-committee or employee(s) of the Company or one or more members of the committee.

4. Board of Directors and their Role in CSR

- (a) To approve the activities to be undertaken as per the CSR Policy proposed/ recommended by the CSR Committee.
- (b) To ensure the programs/projects/activities undertaken by the Company are in line with the activities as listed in this policy.
- (c) To ensure that the Company spends, every financial year, at least two percent of the average net profits of the Company made during the preceding three financial years as prescribed under the Companies Act, 2013 towards CSR initiatives.
- (d) To ensure that the Boards' Report of the Company includes an annual report on CSR as specified under the Companies (Corporate Social Responsibility Policy) Rules, 2014.
- (e) The Board of Directors of the Company shall have the authority to reconstitute the CSR Committee and to revise/amend the terms of reference of the CSR Committee, as may be required.

5. Identification and Implementation of projects/programs/activities to be undertaken

- (a) Specific Programs/projects/activities shall be identified by the CSR Committee.
- (b) Post identification of potential areas/projects/activities/programs, CSR Committee to ensure adequate due diligence of the proposed activities to be undertaken.
- (c) In case of programs/projects/activities that are undertaken through an outside entity, due diligence of the implementation partner/agency along with the details relating to competence, track record, management, creditability and their reports/certificates shall form part of the supporting documents of the project report for the activities undertaken, which shall be placed before the CSR Committee/Board.
- (d) The Board of Directors shall review, consider and post considering the recommendations of the CSR Committee approve the identified programs/projects/activities.
- (e) The CSR Committee shall regularly monitor the implementation process of the identified projects/programs/activities undertaken by the Company and update the Board on the same at regular intervals.

6. Restricted Activities

- 1) The Company shall endeavor not to include any of the business activities undertaken in the normal course of business of the Company within the ambit of CSR activities.
- 2) Contribution of any amount directly or indirectly to any political party under Section 182 of the Act, shall not be considered as CSR activity.
- 3) CSR Projects or activities that benefit only the employees of the Company and their families shall not be considered CSR activities.
- 4) No contribution to be made for any activities undertaken outside India. The surplus, if any arising out of the CSR projects or programmes or activities shall not form part of the business profit of the Company.
- 5) Expenditure not in line with the CSR Activities shall not be included.
- 6) One off events such as Marathons/awards/charitable contributions/advertisement/sponsorships of TV programmes etc would not be qualified as CSR expenditure
- 7) Expenses incurred by companies for fulfillment of any Act/Statute of regulations would not count as CSR Expenditure under the Companies Act.

7. CSR Spent

- (a) In accordance with the provisions of Section 135 of the Companies Act, 2013, the Company is required to spend at least 2% of its average net profits of the company made during three years immediately preceding financial years, towards CSR programs/projects/activities.
- (b) The CSR Expenditure that remains unspent / unutilised for the particular year shall be carried forward to the next year.

(c) CSR Expenditure shall not include any expenditure on any program or project or activities which is not in conformity with the Company's CSR Policy and the activities enumerated under Schedule VII of the Companies Act, 2013.

8. Execution of CSR activities

Company will seek to identify suitable programs/projects/activities as per the Company's CSR Policy and the activities enumerated under Schedule VII of the Companies Act, 2013, for execution/implementation in line with the CSR objectives of the Company that will benefit the community for which those programmes are intended. The implementation of the CSR programs/projects/activities may be undertaken by the Company as below:

(a) Directly on its own

(b) Through its own registered trust or registered society or Section 8 Company established by the Company or its holding or subsidiary or associate Company.

(c) Through independently registered trust or registered society or Section 8 Company that have a record of at least three years in similar such related activities

(d) A company may also collaborate with other companies for undertaking projects or programs or activities in such a manner that the CSR Committee of respective companies are in position to report separately on such projects or programs in accordance with Companies (Corporate Social Responsibility Policy) Rules, 2014 .

(e) Company may build CSR capacities of its own personnel as well as those of its Implementing agencies through Institutions with established track record of at least three financial years but such expenditure shall not exceed 5% of the CSR expenditure of the company in one financial year.

(f) CSR programs or projects or activities undertaken in pursuance of the Company's normal course of business shall not qualify as CSR expenditure.

(g) Preference shall be given to the local area and areas around where the company operates for CSR spending.

(h) CSR programs or projects or activities undertaken in India only shall amount to CSR expenditure.

9. Reporting

(a) With effect from financial year 2017-18, the report of the Board of Directors of the Company shall include an annual report duly signed by two directors of the CSR Committee, on CSR which shall contain the following:

- Brief outline of CSR policy, including overview of projects or Programme proposed to be undertaken by the company.
- Composition of CSR committee.
- Average Net profit of the Company for the last three financial years

- Prescribed CSR expenditure (Two percent of the average net profit made during the three immediately preceding financial years)
- Details of CSR spent during the financial year.
 - Total amount to be spent for the financial year.
 - Amount unspent, if any,
 - Manner in which the amount is spent during the financial year
- The reasons for not spending the required amount in the Boards' report.
- Responsibility Statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with the CSR objectives and policy of the Company.

(b) Publish the details of the CSR Policy on the Company's Website.

10. Monitoring Mechanism

(a) CSR committee shall be required to meet up at regular intervals to discuss, review and monitor the CSR activities of the Company.

(b) CSR Committee shall obtain and review the relevant progress reports and impact of various CSR programs/projects/activities implemented and to identify gaps/slip pages therein and to plan corrective measures as may be required for the purpose.

(c) CSR Committee shall ensure that the projects/programs/activities that are undertaken by the Company are in compliance with various applicable laws/regulations of the areas as identified for CSR expenditure.

(d) CSR Committee shall ensure that appropriate documentation of all the programs/projects/activities, statements of the budget & expenditure are being undertaken on regular basis.

11. General

(a) The Board shall have the right to modify or change the policy from time to time.

(b) Any or all provisions of the CSR policy would be subject to revision / amendment in accordance with the guidelines on the subject as may be issued from Government, from time to time.

(c) All the records pertaining to the CSR programs/projects/activities of the Company shall be kept in the custody of the Company Secretary.
