



Mirae Asset Investment Managers (India) Private
Limited [MAIMI]

Corporate Social Responsibility (CSR) Policy

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Versions:

Version No.	Details of Policy change	Date
1	Approval of CSR Policy	16.02.2021
2	Inclusion of new CSR rules dt.22.01.2021	27.04.2021
2.1	Annual Updation	21.02.2022

I. Introduction

Corporate Social Responsibility (CSR) is a broad term used to describe a company's efforts to improve society in some way. It is the effort made by companies to improve the living conditions of the local area in which they operate and the society at large. These efforts can range from donating money to non-profits, to implementing environmentally-friendly policies in the workplace. The activities taken up as part of corporate social responsibility reflect the intent to create a positive impact on the society without seeking any commensurate monetary benefits.

The Company's objective is to pro-actively support meaningful socio-economic development in India and enable a larger number of people to participate in and benefit from India's economic progress. This is based on the belief that growth and development are effective only when they result in wider access to opportunities and benefit a broader section of society.

The Corporate Social Responsibility Policy (CSR Policy) of the Company sets out the framework guiding the Company's CSR activities. The Policy also sets out the rules that need to be adhered to while taking up and implementing CSR activities.

Sec. 135 of The Companies Act, 2013 ('the Act') requires both public and private companies in India which have either:

- i. Net worth of INR 5 billion or more or
- ii. Turnover of INR 10 billion or more or
- iii. Net profits of 50 million or more

Within any of the three financial years, to contribute 2% of their average net profits of the three preceding financial years to Corporate Social Responsibility initiatives as set out in Schedule VII to the Companies Act, 2013 and confirm compliance thereof in the Annual Report,.

Further, in accordance with the aforesaid section of the Act, the Company is required to constitute a committee (CSR Committee) comprising of 2 or more directors. The CSR Committee shall formulate and recommend to the Board, a policy which shall indicate the activities to be undertaken (CSR Policy); recommend the amount of expenditure to be incurred on the activities referred and monitor the CSR Policy of the company. The Board is responsible to take into account the recommendations made by the CSR Committee and approve the CSR Policy of the company.

II. Definitions:

Below are some of the important definitions:

- (a) **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.

(b) **Corporate Social Responsibility (CSR)**” means the activities undertaken by the Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these 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 Companies 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;

(c) **"CSR Committee"** means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Companies Act.

(d) **"CSR Policy"** means a statement containing the approach and direction given by the Board, taking into account the recommendations of the CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;

(e) **"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;

(III) Objectives

The Company’s CSR initiatives will be aligned with the same principles to serve a social purpose, sustainable development of the society and the environment in which it operates.

CSR activities will be undertaken in areas identified by the CSR Committee. Activities undertaken by the Company may include projects related to:

a) Education and Skill Development

The Company shall partner with schools, NGOs, Trust, societies, organizations and foundations providing a platform of excellence to students, expanding educational horizons/teaching methodology, working in the field of providing primary/secondary education, engaged in literacy programmes, providing vocational teachers trainings, etc., and also provide mid-day meals to school children and also partner with organizations/NGOs/Trusts which work in the field of child welfare, street children rehabilitation and other child welfare rehabilitations.

b) Wildlife and Environmental protection

Project focused on restoring ecological balance, protection of flora and fauna, protection of animals including collaborative efforts required to train and empower institutions protecting wildlife and raise awareness amongst the people.

c) Health Care Promotion:

Projects focused to offer health care to needy patients, building hospitals, providing medical facilities, providing free treatment/subsidized rates for treatment to children from poor family and under privileged and middle class families.

d) Undertake any other activities enumerated in Schedule VII of the Act.

The Companies (Corporate Social Responsibility Policy) Rules, 2014 (“the Rules”) and the amendments thereof further clarifies that:

The activities that can be done by the company to achieve its CSR obligations includes eradicating extreme hunger and poverty, promotion of education, promoting gender equality and empowering women, reducing child mortality and improving maternal health, combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases, ensuring environmental sustainability, employment enhancing vocational skills, social business projects, contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women and such other matters as may be prescribed.

Also, preference should be given to local areas and the areas where the company operates.

The CSR Committee shall also prepare the CSR Policy in which it includes the projects and programmes which shall focus on integrating business models with social and environmental priorities and process in order to create share value.

(IV) Board's obligations:

(1) 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, registered under section 12A and 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, 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.

(2) 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 in accordance with these rules.

(3) The Board shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it.

(4) In case of ongoing project, the Board 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.

(5) The Board shall further ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

(V) Activities enumerated in Schedule VII of the Act

Activities which may be included by the Company in its Corporate Social Responsibility Policies Activities relating to:—

(i) 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.

(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 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 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,⁹[Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows];

(vii) training to promote rural sports, nationally recognised 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) 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).

(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.

(VI) CSR Committee and its Constitution:

The CSR Committee would comprise of two or more Directors. The CSR Committee shall:

- i. Formulate and recommend to the Board the CSR Policy and any amendments thereto;
- ii. Indicate to the Board on the activities to be undertaken by the Company as specified in the Act;
- iii. Review and recommend the annual CSR plan to the Board;
- iv. Monitor the CSR activities and compliance with the CSR policy from time to time; and
- v. Review and implement, if required, any other matter related to CSR initiatives.

The Committee shall meet periodically and review the CSR activity in every financial year.

Constitution:

The Board of Directors of the Company has constituted a Corporate Social Responsibility (CSR) Committee of Directors.

Name of the Directors	Designation
Mr. Yogesh Chadha	Member
Mr. Swarup Mohanty	Member
Mr. Junyoung Hong	Member
Ms. Malini Thadani	Permanent Invitee

The Chairman of the meeting shall be elected in the committee meeting.

(VII) Monitoring

The CSR Committee shall ensure a transparent monitoring mechanism for CSR activities.

1. The CSR Committee shall review the progress of CSR activities periodically.
2. The Chief Financial Officer (CFO) shall be responsible for monitoring expense on CSR activities with respect to the plan and submission of the same to the CSR Committee and the Board. The CFO shall certify to the effect to the Board that the funds disbursed for undertaking projects have been utilised for the purposes and in the manner as approved by the Board.
3. An Annual Action Plan shall be formulated and recommended to the Board, which shall include the following, namely:-
 - (a) the list of CSR projects or programmes that are approved to be undertaken
 - (b) the manner of execution of such projects or programmes
 - (c) the modalities of utilisation of funds 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 Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.”

4. The CSR Committee shall recommend the amount of expenditure to be incurred on the activities referred to in the CSR Policy.

5. The Board of Directors shall review the progress of CSR activities periodically.

6. The Board's Report of a company covered under these rules pertaining to any financial year shall include an annual report on CSR containing particulars specified in Annexure I or Annexure II of the Rules, as applicable.

7. In case the average CSR obligation exceeds ten crore rupees in the three immediately preceding financial years, the Company shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study. The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR. The Company when undertaking impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for the financial year or fifty lakh rupees, whichever is less.

(VIII) Disclosure

The Company shall include in its annual report, the following information on CSR:

- i. A description of contents of the CSR policy;
- ii. An overview of the CSR activities;
- iii. The composition of the CSR Committee;
- iv. Average net profit for the preceding three financial years;
- v. Prescribed CSR expenditure;
- vi. Details of amount spent in the prescribed format;
- vii. Amount unspent, if any, and reasons for not spending the amount;
- viii. Responsibility statement of the CSR Committee that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and CSR Policy; and
- ix. Such other matters as may be specified from time to time for inclusion in the annual report.

The Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access. Further, a detailed status report as “Annual Report on the CSR activities” carried out by the Company would be disclosed every year as part of the Board’s Report in the Annual Report.

(IX) Budget

The Company Board of Directors shall ensure that in each financial year the Company spends at least 2% of the average Net Profit made during the three immediate preceding financial years.

—Net profit: means the net profit as per the financial statement of the company prepared in accordance with the applicable provisions of the Act, but shall not include the following:

- (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.

This reporting will be disclosed in the Annual Report and signed off by the Board of Directors.

In case of any surplus arising out of CSR projects, the same shall not form part of the business profits of the Company and shall be ploughed back into the same project/activity 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.

Excess CSR Amount may be set off up to immediate succeeding three financial years. The Company may collaborate or pool resources with other companies to undertake CSR activities, through any non-profit organization, if required.

The CSR amount may be spent by the Company for creation or acquisition of a capital asset, which shall be held by a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number

Transfer of unspent CSR account: Until a fund is specified in Schedule VII for the purpose 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.

(X) Amendments to the policy

The Board of Directors on its own and/or on the recommendation of CSR committee can amend its policy as and when required deemed fit. Any or all provisions of CSR Policy would be subjected to revision/amendment in accordance with the regulations on the subject as may be issued from relevant statutory authorities, from time to time. The Company shall, from time to time, follow the Act and the various Rules as prescribed therein. Any inconsistencies with respect to the provisions as mentioned in the Act shall prevail over the provisions as mentioned herein in the Policy.

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