

CSR POLICY OF MANAPPURAM FINANCE LTD.,

(As approved by the board on 25th July 2014

(Last renewed on 19th March 2021)

Preamble

We, at Manappuram Finance Ltd., believe that our business is built around strong social relevance of inclusive growth by supporting the common man in fulfilling their financial needs. We equally believe that creation of large societal capital is as important as wealth creation for our shareholders. As a responsible societal organization, we are committed towards the above objective and are keen on developing a sustainable business model to ensure and activate our future growth drivers. We have been contributing to the societal wealth creation for the last several years irrespective of any regulatory compulsions as a realization of our above belief. In line with the regulatory expectations, we are putting in place a formal policy as a guide towards our social commitment going forward.

Key words & meanings

Act- means the Companies Act, 2013 as amended from time to time

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

CSR- means the activities undertaken by a 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;

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 (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

CSR Policy – means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;

CSR Rules or Rules – means Companies (Corporate Social Responsibility Policy) Rules 2014; and any amendments effected thereto subsequently;

International Organization - means an organization notified by the Central Government as an international organization under section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), to which the provisions of the Schedule to the said Act apply;

Implementing Agencies – means

- (i) 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
- (ii) 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
- (iii) any entity established under an Act of Parliament or a State legislature; or
- (iv) 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;

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 and not defined in this policy but defined in the Act and relevant rules shall have the same meanings respectively assigned to them in the Act and relevant rules

Policy Objectives

The objective of the CSR Policy (“Policy”) is to lay down the guiding principles in selecting implementing and monitoring programs and projects by or on behalf of the company relating to Corporate Social Responsibility (“CSR”) within the meaning of section 135 of the Companies Act, 2013 read with Schedule VII of the Act and the CSR Policy Rules 2014. (“Rules”) as well as formulation of Annual Action Plan

Applicability;

The policy shall be applicable to all CSR activities of the company whether carried by it or through any implementation agency with effect from 26th July 2014

CSR Committee

CSR Committee means the committee of the board constituted in terms of Section 135 of the Companies Act, 2013 read with Rule 5 of the rules.

Role of the Committee include;-

- i) Formulate and Draft the CSR policy and recommend the same to the Board for approval;
- ii) Review and recommend any new CSR initiatives to be taken up by the company including the selection/appointment of implementation agencies;
- iii) Review the progress of CSR projects already undertaken by the company and the utilization of budgets for each such projects;
- iv) Review and recommend any amendments to be made in the CSR policy of the Company;
- v) Formulation of Annual Action Plan in accordance with CSR Policy and make necessary recommendations thereon to the Board
- vi) monitor the Corporate Social Responsibility Policy of the company from time to time
- vii) To carry such other functions as may be delegated to it by the board relating to CSR activities of the company.

Parameter’s for Formulation of Annual Action Plan

The CSR committee shall envisage an Annual Action plan in pursuance of the CSR Policy which shall be the road map for the implementation of CSR projects approved by the Board of Directors. The Annual action plan shall be formulated shall keeping in

mind the following parametres:

- (i) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- (ii) the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4;
- (iii) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- (iv) monitoring and reporting mechanism for the projects or programmes; and
- (v) details of need and impact assessment, if any, for the projects undertaken by the company

CSR Activities;

As part of the CSR program, the company is presently engaged in several projects which are socially relevant and demanding in the locality surrounding its corporate office area and other locations where the company has branches or other place of business. The company may continue to undertake / fund project, programs or activities of the following nature and also undertake such other activities as may be approved by the board as is falling under schedule VII of the Act 2013.

i. Promotion of Health care

The company may undertake projects or programs or activities aimed at improving the health and hygiene of the socially or economically weaker sections , families in the below poverty line (BPL) by providing free or subsidized medicine, clinical laboratory facilities, free or concessional treatments at hospitals, provide medical equipments, setting up of medical and diagnostic camps, free medical insurance for a group of people or families in the BPL category, projects or programs aimed at eradicating poverty or malnutrition of women and children, pain and palliative care etc.

ii. Old Age homes /Day Care facilities for senior Citizens

Company may undertake projects or programs or activities for the protection of elderly citizens by establishing, funding or otherwise supporting old age homes and day care facilities including medical aid, food and accommodation.

iii. Promotion of Quality Education

Company may undertake projects or programs or activities aimed at providing quality school education from elementary levels and to provide professional educational needs of the students in higher classes. These programs would support the students belonging to weaker sections of the society including SC/ST/OBCs by way of setting up schools, colleges, coaching centers, providing libraries, text books and other study materials, vocational training centers and centers for physically challenged students, providing endowments or other forms of recognitions to successful

candidates pursuing recognized examinations, scholarships or other forms of merit cum means assistance, etc

iv. Empowerment of women

Company may take up and carry on projects, programs or activities aimed at women empowerment and gender equality. The objective may be achieved through supporting women belonging to socially or financially weaker sections of the society by providing job oriented training programs with an objective of making them financially independent.

Further, the company may take up all or any projects, programs or activities falling under any of the activities in the following fields as approved by the board on the recommendation of the CSR committee.

- i. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
- ii. 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;
- iii. Measures for the benefit of armed forces veterans, war widows and their dependents;
- iv. Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sport;
- v. Contribution to 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;
- vi. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- vii. Rural development projects;
- viii. disaster management, including relief, rehabilitation and reconstruction activities;

Effects of interpretations/clarifications and amendments on projects/ programs /activities

The objective of the policy is to act as a guideline for the company in its endeavor to undertake socially relevant activities that will result in the overall objective of the company to create societal capital/assets for the common good and the list of activities shall be interpreted in a manner that will advance the objective. The policy shall be deemed to have amended or modified to the extent of any modification/ amendments or clarifications issued by the Central Government from time to time in relation to the CSR obligations of companies and shall be interpreted accordingly.

Execution of projects/programs

The company may undertake one or more projects or programs or activities provided in the policy either as its own or through any implementation agency. For the purpose of implementing CSR projects, A company may engage international organizations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR. or any International organization. It can also acquire the services of experts in respective fields by appointing them as consultants in a particular program or project. While engaging a third party agency for implementing a project or program covered in the CSR policy, the CSR committee shall ensure that they have credible standing and experience in the respective fields for at least three preceding financial years. Also that for CSR implementation , ensure that activities undertaken shall be as per the Rules applicable including the purpose and manner of Fund utilization as well as the close monitoring of the ongoing projects. The maximum tenure for a project that can be undertaken shall not exceed 3 years.(excluding the year of commencement)

CSR Activities in Partnership

The company may undertake programs in collaboration with other companies only in cases where such programs are separately reportable in the CSR report of participating companies.

Monitoring of CSR Activities

CSR committee of the company will be responsible for the monitoring of various CSR projects or programs undertaken by the company directly or indirectly. The committee shall ensure that;

- i. Company undertakes the CSR activities as provided in the CSR policy
- ii. The projects/ programs are implemented as per the program approved by the board
- iii. The budget allocated for each of the project is utilized for the projects as per the approved plans.
- iv. The objective of the project/program is achieved as per the plans
- v. Wherever projects/programs are undertaken in partnership with one or more organizations, the part of the project or program undertaken by the company shall be distinguishable and necessary supporting documents in respect of the same shall be obtained from the other partners/implementing agency on an annual basis.

Provided that 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

Company shall provide necessary resources and human capital for implementation and the effective monitoring of the CSR projects and programs as may be directed by the CSR committee. The services of any external agencies or persons who have experience in the same or similar projects or programs undertaken or proposed to be undertaken by the company may also be made available for successful implementation and monitoring of the project.

CSR Expenditure :

The Administrative overheads shall not exceed Five percent of total CSR expenditure of the Company for the Financial Year.

Any amount that remains unspent on ongoing projects will be transferred to any separate account as per Rules.

Surplus arising out of CSR

Surplus arising out of any CSR project or program or activities shall not form part of the business profit of the company, and can be utilized as permitted under the Rules.

Amendment of policy

The CSR policy of the company may be amended at any time by the board of the company on the recommendation of the CSR committee.

Reporting

On approval of the CSR policy or any amendments thereof, the contents of the policy shall be included in the Boards' report and the same shall be displayed on the web site of the company.

At the end of each financial year, the CSR committee shall prepare a report of the CSR program in the prescribed form relating to the financial year and submit to the board for its inclusion in the Board's report.

Company shall undertake an impact assessment of projects by an Independent agency with an outlay of one crores or more and which have been completed not less than one year before undertaking the impact study. The report of the impact assessment shall be annexed to the Annual report on CSR.

Display of CSR Activities;

Disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on the Company's website for public access.

.....||.....