

**Corporate Social Responsibility Policy**  
**Adopted by**  
**Mirae Asset Capital Markets (India) Private Limited**

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## **I. INTRODUCTION**

Corporate Social Responsibility (“CSR”) is a broad term used to describe a company’s efforts to improve society in some way. These efforts can range from donating money to non-profits to implementing environmentally friendly policies. The activities taken up as part of corporate social responsibility reflect the intent to create a positive impact on 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.

This Corporate Social Responsibility Policy (“CSR Policy” or “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.

## **II. BACKGROUND**

- a) As per Section 135 of the Companies Act, 2013, every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director. Provided that where a company is not required to appoint an independent director under sub-section (4) of section 149 of the Companies Act, 2013, it shall have in its Corporate Social Responsibility Committee two or more directors.

It requires the Company to spend, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years or where the company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years, in pursuance of its CSR Policy. Provided that the company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities. Provided further that if the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project referred to in sub-section (6), transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. Provided also that if the company spends an amount in excess of the requirements provided under this sub-section, such company may set off such excess amount against the requirement to spend under this sub-section for such number of succeeding financial years and in such manner, as may be prescribed.

- b) The Board of every company referred to in sub-section (1) of Section 135 shall,  
(a) after taking into account the recommendations made by the CSR Committee, approve the CSR Policy for the company and disclose contents of such Policy in its report and also place it on the company's website, if any, in such manner as may be prescribed; and  
(b) ensure that the activities as are included in CSR Policy of the company are undertaken by the company.

- c) The Companies (Corporate Social Responsibility Policy) Rules, 2014 (“the Rules”) shall be followed by the Company as applicable and amended from time to time.

Impact Assessment pursuant to the Rules:

Every company having average CSR obligation of ten crore rupees or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, 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. A Company 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 that financial year or fifty lakh rupees, whichever is less.

### **III. DEFINITIONS AND INTERPRETATIONS**

All Definitions and interpretations shall be as per the Companies Act, 2013 and the Rules, as amended from time to time. All such applicable definitions shall be considered as forming part of this Policy.

### **IV. GUIDING PRINCIPLES, APPROACH AND DIRECTION**

It is the Company’s commitment to ensure that its activities extend beyond business and include initiatives and endeavours for the benefit and development of the community/society. Our CSR initiatives will be aligned with the principles to serve a social purpose, education, skill development, healthcare, sustainable development of the society, benefit to the needy and the environment in which it operates.

Any permitted activities to be undertaken by the Company shall be selected, implemented and monitored taking into account these guiding principles, approach and direction.

a. Funding Obligations:

In accordance with Section 135(5) of the Companies Act, 2013 (the Act), the Company is committed to spend, in every financial year, at least 2% of its average net profits made during the three immediately preceding financial years or where the Company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. Any amount remaining unspent under Section 135(5), pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by the Company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the Company within a period of thirty days from the end of the financial year to a special account to be opened by the Company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the Company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the Company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

This will include the spends through activities undertaken by implementing agency or direct spending or in combination thereof. If MACM spends any amount in excess of the requirements, such excess amount may be set off against the requirement to spend under sub-

section (5) of section 135 up to immediate succeeding three financial years subject to the conditions as prescribed under the Act.

b. Selection:

The guiding principles for Selection of implementing agency(ies) are:

- i. Eligibility – Implementation agency should be eligible to be appointed by the Company pursuant to the CSR rules under the Companies Act.
- ii. General Reputation – Implementing agency shall have a general good reputation in performing its activities diligently and there are no serious adverse issues against such agency.
- iii. Law of land – Implementing agency shall have a good stand in terms of Law of Land.

c. Guiding Principles for Implementation and Monitoring:

- i. Accountability and Transparency – Implementing agency shall be accountable for all expenses along with the acknowledgements. Further, there should be transparency in the actions to protect the interest of all the stakeholders.
- ii. Ethical Behaviour – Management and Implementing agency shall maintain ethical behaviour while implementing and monitoring CSR programs without any corruption.
- iii. No conflict of interest - There shall not be any conflict of interest in the objectives of employees involved in CSR activities and the implementing agencies. Both of them should work towards the objective of benefit to the society/need.

## V. IMPLEMENTATION

1. The Board shall be responsible for implementing the mandate of the CSR Policy and shall ensure that the CSR Activities are carried out in accordance with the CSR Policy read with the Act and CSR Rules and the annual action plan formulated and recommended by the CSR Committee.
2. The Board shall ensure that the CSR activities are undertaken by the Company itself or through implementation agency(ies) given below –
  - (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.
3. The Company has been implementing the CSR through Mirae Asset Foundation (“MAF”). It is a Company established under Section 8 of the Companies Act, 2013 and is registered under Section 12A and 80 G of the Income Tax Act, 1961 and has filed Form CSR-1 with the Registrar of Companies. Project approved by the Board of the Company for CSR Expenditure for FY 2020-21 have been / are being implemented through MAF. The Board / CSR Committee is authorised to continue to implement CSR activities directly and/or through MAF as Implementation Agency and/or any other implementation agency or in any manner as permitted under the

- applicable laws from time to time. The Board has the authority to change the Implementation Agency from time to time or appoint one or more other permitted implementation agencies.
4. In any case, the Board or CSR Committee may at any time decide to carry out the CSR activities on its own or through forming/establishing, either singly or along with any other company or person, a section 8 (under the Act) company / foundation / entity or through MAF or any other implementation agency or through any other mode(s) permitted under law or in combination of one or more thereof.
  5. The Company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per CSR Policy as well as for capacity building of their own personnel for CSR.
  6. 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 the Rules.
  7. MAF or such other implementation entity will assist the CSR Committee / Board in identifying the areas of CSR activities, programs and execution of initiatives. MAF or such other implementation agency will periodically apprise the CSR Committee / Board about the progress of deployed initiatives and in making appropriate disclosures (internal/external) on a periodic basis.
  8. Implementation agency including MAF is authorised to finalize, approve and execute various agreements, MOUs, deeds, writings, confirmations, undertakings or other documents, as may be necessary with any person/party for the purposes of the CSR Policy and accept modifications, changes and amendments to any such documents/ agreements as it may deem fit under intimation to the Company.

## **VI. MONITORING**

1. The CSR Committee shall ensure a transparent monitoring mechanism for CSR activities.
2. To ensure that the objectives of CSR Policy are being met in an efficient and effective manner, the utilisation of the amount approved towards CSR activities should be reported by the implementation agency (as applicable) to the Company on a periodical basis. Until the Company is implementing its project/ongoing project through MAF and/or other implementation agency, then the Company shall require MAF and/or other implementation agency to report on a periodical basis to the CSR Committee on the CSR activities, utilization, etc.
3. In case of ongoing project, the Board / CSR Committee of the 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.
4. The Board / CSR Committee of the Company shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
5. The CSR Committee shall review the progress of CSR activities at least once a year.
6. Impact Assessment – As and when the requirement if impact assessment becomes applicable, the Company shall ensure that impact assessment through an independent agency is carried out for CSR projects having an outlay of Rs. 01 crore or more. Expenditure incurred for such assessment shall not exceed 5% of the total CSR expenditure for the financial year or 50 lakh rupees, whichever is less or as permitted under applicable laws from time to time.
7. Monitoring will be done with a continuous feedback mechanism, and recourse for mid-course correction in implementation, if needed, to ensure efficacy.

8. All expenditure towards the programs to be diligently documented. As per the requirements of the Act, in case 2% of average net profit of the last 3 years is not spent in a financial year, reasons for the same to be specified in the Board/CSR report.
9. Any surplus arising out of the CSR activities shall not form part of the business profit of the Company.

## **VII. CSR ACTIVITIES**

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

### **a) Education and Skill Development**

We will 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 programs, providing vocational teachers trainings, Scholarships, 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. It shall include educational development project covering granting of Scholarships to meritorious and needy students in educational/management institutes.

### **b) 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.

This includes CSR activities as notified by Ministry of Corporate Affairs (MCA) and/or Registrar of Companies (ROC) on the MCA website through various notifications, General circulars and FAQ's as a response to Covid-19 pandemic from time to time

### **c) Activities as enumerated in Schedule VII of the Act as amended from time to time including activities permitted by MCA/ROC through various notifications, circulars, rules, etc.**

## **VIII. ACTIVITIES ENUMERATED IN SCHEDULE VII OF THE ACT:**

Activities enumerated in Schedule VII of the Act are given below. Changes made to the permitted CSR activities through amendment of Schedule VII in the Companies Act, 2013 or through any other means shall be deemed to be included, eligible for the Company and approved by the CSR Committee towards CSR purposes:

- 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 & employment enhancing vocation skills especially among children, women, elderly & the differently able & livelihood enhancement projects.

- iii. Promoting gender equality, empowering women, setting up homes & hostels for women & orphans, setting up old age homes, day care centers & such other facilities for senior citizens & measures for reducing inequalities faced by socially & economically backward groups.
- iv. Ensuring environmental sustainability, ecological balance, protection of flora & fauna, animal welfare, agro forestry, conservation of natural resources & maintaining quality of soil, air & 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 & culture including restoration of buildings & sites of historical importance & works of art; setting up public libraries; promotion & development of traditional arts & handicrafts.
- vi. Measures for the benefit of armed forces veterans, war widows & 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, sports & 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 Government for socio-economic development & relief & welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities & women
- ix. (a)Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by 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 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.

## **IX. BOARD OF DIRECTORS**



1. The Board, after taking into account the recommendations made by the CSR Committee, approves the CSR Policy for the Company and disclose contents of such Policy in its report and also place it on the Company's website. The Board ensures that the activities as are included in CSR Policy of the Company are undertaken by the Company.
2. The Board monitors and reviews the performance and impact (as applicable) of the CSR programmes, provides input and course corrections if required and satisfies itself that the CSR funds so disbursed are aligned to the CSR Policy of the Company and are utilized for the purposes and in the manner as approved by it.
3. The Board of the Company shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.

#### **X. CSR COMMITTEE**

1. The CSR Committee shall be responsible for providing recommendations to the Board with respect to CSR Activities that may be undertaken by the Company in accordance with the CSR Policy as well as the Act and the Rules.
2. The CSR Committee shall:
  - (i) Formulate and recommend to the Board the CSR Policy and any amendments thereto;
  - (ii) Review and recommend the CSR expenditure to be incurred on the activities referred to in sub-clause (i) above;
  - (iii) Monitor the CSR activities / Policy from time to time;
  - (iv) Review and implement, if required, any other matter related to CSR initiatives; and
  - (v) Formulate annual action plan in pursuance of the CSR policy in accordance with the applicable law, and inclusive of the following items:
    - a. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
    - b. the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4;
    - 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. The requirement of Impact assessment shall be applicable to the Company if the Company fulfils the criteria prescribed by Act and the Rules as applicable from time to time.

3. The CSR Committee is required to comprise of three or more directors, out of which at least one director shall be an independent director. Provided that where the Company is not required to appoint an independent director under sub-section (4) of section 149 of the Companies Act, 2013, it shall have in its Corporate Social Responsibility Committee two or more directors.
4. The CSR Committee shall meet as and when needed to carry out its activities however it shall meet at least once in every financial year.

#### **XI. CSR EXPENDITURE**

1. The Board is required to ensure that the Company spends, in every financial year, at least two per cent. of the average net profits of the Company made during the three immediately preceding financial years or where the Company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. Provided that the Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities. Provided further that if the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project referred to in sub-section (6), transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. Provided also that if the Company spends an amount in excess of the requirements provided under this sub-section, such Company may set off such excess amount against the requirement to spend under this sub-section for such number of succeeding financial years and in such manner, as may be prescribed.
2. The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.
3. Any surplus arising out of the CSR activities shall not form part of the business profit of the Company and shall be ploughed back into the same project 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.
4. Where the Company spends an amount in excess of requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions prescribed under the Rules.
5. Any amount remaining unspent under sub-section (5), pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by the Company in pursuance of its CSR Policy, shall be transferred by the Company within a period of thirty days from the end of the financial year to a special account to be opened by the Company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the Company in pursuance of its obligation towards the CSR Policy within a period of three financial years from the date of such transfer, failing which, the Company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.
6. The CSR amount may be spent by the Company for creation or acquisition of a capital asset, which shall be held by -
  - (i) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or
  - (ii) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
  - (iii) a public authority:Provided that any capital asset created by the Company prior to the commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, shall within a period of one hundred and eighty days from such commencement comply with the requirement of this rule, which may be extended by a further period of not more than ninety days with the approval of the Board based on reasonable justification.
7. Meaning of CSR and its Exclusions - "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 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.

**XII. REPORTING AND RECORD KEEPING**

1. The CSR Committee shall maintain proper minutes of all its meetings and Circular Resolutions approved from time to time.
2. The Board's report of the Company shall include an annual report on CSR containing the particulars set out in the Companies Act and Rules framed thereunder as amended from time to time.
3. In respect of the reporting, the Board will be responsible to ensure that:
  - a. The report of the Board includes the annual report on CSR Activities of the Company and sets out the requisite information in terms of the Act and the Rules.
  - b. The contents of the CSR Policy are included in the report of the Board.
  - c. The contents of the CSR Policy along with composition of the CSR Committee, and projects approved by the Board are also made available on the website (if any) of the Company.
  - d. In case of failure to ensure the minimum CSR Expenditure, detailed reasons for the same are adequately disclosed in the Board Report.

**XIII. 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. Any changes in law shall be deemed to have been incorporated in this Policy and eligible/applicable to the Company.

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