



MANBA FINANCE LIMITED

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CORPORATE SOCIAL RESPONSIBILITY POLICY

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1. INTRODUCTION:

This Corporate Social Responsibility Policy (“the CSR Policy”) has been framed and adopted by Manba Finance Limited (the Company) hereinafter referred to as MFL in accordance with the Section 135, Schedule VII of the Companies Act, 2013 and CSR Rules issued by the Ministry of Corporate Affairs on February 27, 2014.

The Companies Act, 2013 (hereinafter referred to as the “Act”), has introduced the idea of CSR to the forefront through its “Comply-or-Explain” mandate. It mandates qualifying companies to constitute Corporate Social Responsibility Committee of the Board or the functions of such committee be discharged by the board of Directors as may be applicable to effectively monitor CSR activities of the Company. Further the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time (hereinafter referred to as “CSR Rules”) lays down the- framework and modalities of carrying out CSR activities which are specified in Schedule VII of the Act.

2. POLICY OBJECTIVE & COMPANY PHILOSOPHY:

The main objective of CSR Policy is to lay down guidelines for Corporate Social Responsibility activities of MFL. The Companies Act, 2013 has formally introduced the Corporate Social Responsibility (CSR) to the dash board of the Indian Companies. MFL is much positive and appreciates the decision taken by the Government of India. Legal framework of CSR is an edge to Corporate Charitable/reformative approach towards the Society to which the Corporate is belonging to. By introducing the separate section for CSR in Companies Act, 2013, the Government has given legal recognition to their community development approach.

The management of MFL expresses its willingness and support to the CSR concept, its legal framework and shall be abided to it.

3. DEFINITIONS:

3.1 “ACT” means the Companies Act 2013 and rules thereunder.

3.2 “BOARD OF DIRECTOR” OR “BOARD” means the Board of Directors of the Company, as constituted from time to time.

3.3 “COMPANY” means the Company incorporated under the Companies Act, 2013 or under any previous Company law.

3.4 “CSR PROGRAMMES” means Programmers, projects and activities carried out in this regard are the subject matter of this Policy.

3.5 “CORPORATE SOCIAL RESPONSIBILITY COMMITTEE OR COMMITTEE” means CSR Committee constituted by the Board of Directors of the Company, from time to time.

3.6 “INDEPENDENT DIRECTOR” means a Director of the Company, not being a whole time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under the Companies Act, 2013.

3.7 “NET PROFIT” means the net profit of a Company as per its financial statement, 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 in companies in India, which are covered under and complying with the provisions of section 135 of the Act.

3.8 “POLICY” means Corporate Social Responsibility.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013 or any other applicable regulation.

4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE):

Constitution

Pursuant to the provisions of Section 135 of the Act, the qualifying company shall constitute the Corporate Social Responsibility (CSR) Committee. The Members of CSR committee shall be appointed by the Board of Directors of the Company which must consist of three or more Directors out of which at least one director shall be an independent director.

The term “Corporate Social Responsibility Committee” in this policy shall refer to the duly constituted CSR Committee of the Company constituted by the board of directors of the Company from time to time pursuant to the provisions of Section 135 of the Act.

Powers of the committee

Following are the powers of the CSR Committee:

1. Formulate CSR Policy and recommend the same to the Board of Directors of the Company for approval.
2. Recommend CSR activities as stated under Schedule VII of the Act.
3. Identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
4. Approve to undertake CSR activities in collaboration with firms/NGOs etc. and to separately report the same in accordance with the CSR Rules.
5. Recommend the CSR Budget.
6. Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules.
7. Create transparent monitoring mechanism for implementation of CSR Initiatives in India.
8. Submit the CSR Report to the Board in respect of the CSR activities undertaken by the Company.
9. Monitor CSR Policy from time to time.
10. Monitor activities to ensure that the CSR activities of the Company are implemented effectively.
11. Authorize executives of the Company to attend the CSR Committee Meetings.
12. Delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
13. Recommend to the Board an Annual Action Plan which includes the modalities for utilization of CSR funds and implementation schedules for the projects or programs, monitoring and reporting mechanism of the projects or programs and details of need and impact assessment for the projects undertaken by the Company.
14. Recommend the alteration in the Annual Action Plan at any time during the year and update, if any, required to the CSR Policy.
15. To ensure that Company makes mandatory disclosures in the Company’s Annual Reports and its website, relating to CSR Committee members, Policy and the activities undertaken.
16. To Approve for transfer of unspent CSR Amount if any in accordance with the law.

Frequency of the meetings of the CSR committee

The CSR Committee shall meet at least once a year. Members of the CSR Committee can agree upon mutually regarding time and place for the said meetings. The quorum for the meeting should be minimum two. The Members of the Committee may participate in the meeting either in person or through video conferencing or other audio-visual means in accordance with the provisions of the Companies Act, 2013 and rules made thereunder from time to time.

Management may attend the CSR Committee Meetings as may be appropriate, subject to the approval of the CSR Committee. Minutes of the CSR Committee shall be placed before the Board for notice.

5.1 CSR ACTIVITIES:

- i. Eradicating hunger, poverty and malnutrition, promoting preventive health care and 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, agro forestry, 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 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. Government for socio-economic development and relief and welfare of the Scheduled Caste\$, 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."

5.2 BUDGET FOR CSR ACTIVITY & CSR EXPENSES:

- i. The Company shall allocate the budget for CSR activities. The minimum budgeted amount for a financial year shall be 2% of the average net profit of three immediate preceding financial years.

- ii. The Company may allocate more fund/amount than the amount prescribed under section 135 of the Companies Act, 2013, for the CSR activities for any financial year.
- iii. The Committee shall calculate the total fund for the CSR activities and recommend to the Board for the approval. The Board shall approve the total fund to be utilized for CSR activity for respective financial year.
- iv. CSR expenditure shall include all expenditure including contribution to corpus for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on an item not in conformity or not in line with activities which fall within the approved CSR activities.
- v. The surplus arising out of CSR projects or programs or activities shall not form part of the business profit of MFL.

5.3 IMPLEMENTATION PROCESS:

After prioritizing the activity the Committee shall finalize the detail implementation project/programme, including planning for expenses against the total budget allocated for CSR activities.

5.4 MONITORING BY THE BOARD:

The Board of Directors shall constantly monitor the implementation of the CSR activities. The CSR Committee shall place a progress report, including details of expenses, before the Board on quarterly basis. The Board shall review the same and suggest recommendation, if any, to the committee with regard to implementation process.

5.5 MANAGEMENT COMMITMENT:

Our Board of Directors, our Management and all of our employees subscribe to the philosophy of compassionate care. We believe and act on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. This is the cornerstone of our CSR Policy. Our CSR Policy conforms to the relevant section of the CSR, Rules made under Companies Act, 2013 and amendment(s) to be made thereto in future.

5. REPORTING:

The CSR Committee of the Board, based on reports presented by the CSR Team, will annually publish a report on the CSR projects as a part of the Director's report. The report will disclose information in the format as prescribed by the Section 135 of the Companies Act 2013 and rules made thereunder. The CSR Committee shall also submit a responsibility statement to the Board that the implementation and monitoring of the CSR Policy is in compliance with the approved CSR Policy of the Company.

The CSR Policy on being approved by the Board shall be displayed on the website of the Company and any modifications carried out from time to time shall also be updated on the website of the Company respectively.

Failure to Spend the CSR Money

In case the Company fails to spend the targeted amount in that particular financial year, it needs to transfer the unspent CSR amount - Until a fund is specified in list of funds at present specified under Schedule VII for the purposes of sub section (5) and (6) of section 135 of the Act:

- Prime Minister's Central Assistance and Relief in Emergency Situations Fund (PM CARES Fund)
- Swachh Bharat Kosh
- Clean Ganga Fund
- People for Animal Organisation
- Such other funds/purpose as the CSR Committee may decide

The Annual Action Plan is a yearly plan of CSR activities that would be placed before the Board of Directors of the Company based on recommendation of its CSR Committee which outlines the following aspects of CSR initiatives of the Company:

1. Tailor-made CSR projects depending upon allocated spend and geographical presence.
2. Partnering agencies/companies/firms Process Owners.
3. Project Proposals.
4. Targeted Beneficiaries & their key needs Alignment with Schedule VII.
5. Project Goals and milestones.
6. Activities and Timelines including expected closure dates CSR Budget with projections.
7. Monitoring mechanism.
8. Progress reporting and frequency of reports Risks and mitigation strategies.
9. Impact Assessment for Projects undertaken.
10. Any other information as may be required by the CSR Committee

Collaboration

The Company may collaborate with any other Company / firm / NGO as may be approved by CSR Committee to implement CSR activities and the same shall form a part of the Annual Action Plan. 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.

Publication of CSR Policy & Programs

The Company shall publish its Annual Report on CSR Activities in its Directors Report in the manner prescribed under the Companies Act 2013 and the CSR Rules, particulars specified Annexure II, as applicable. The Company shall also place its CSR report on its website and shall mention such weblink in its Directors Report.

Amendments

This policy will be reviewed periodically by the Board/ Committee as may be deemed necessary and to comply with any regulatory amendments or statutory modifications and subject to the necessary approvals of the Board of Directors in cases of material changes to the Policy.

Interpretation

In case of any subsequent changes in the provisions of the aforementioned statutes, the statutes would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with prevailing law. Any subsequent amendment/modification in SEBI Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

Disclosure

This Policy will be disclosed on the Company's website.
