



## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

## INDEX

<b>Section</b>	<b>Particulars</b>	<b>Page No.</b>
I.	Preamble	3
II.	Our Approach Towards Corporate Social Responsibility	4
III.	Activities permitted to be undertaken under Corporate Social Responsibility	4
IV.	Prohibited activities under Corporate Social Responsibility	5
V.	Institutional Set Up	6
VI.	Activities/ projects/ programs to be undertaken	6
VII.	Budgeting and Allocation of Funds	7
VIII.	Implementation	8
IX.	Monitoring and Evaluation	8
X.	Post Implementation Impact Assessment	9
XI.	Reporting	9
XII.	Information Dissemination	10
XIII.	Review and Amendment	10

## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

### **SECTION I - PREAMBLE**

The Company, Motilal Oswal Home Finance Limited recognizes the responsibilities towards society and strongly intends to contribute towards development of knowledge based economy.

As per section 135 of the Companies Act, 2013 (“the Act”) and Companies (Corporate Social Responsibility Policy) Amendment Rules, 2014 (including any statutory modifications, amendments, or re-enactments of any of them for the time being in force) (“referred to as Rules”) (as amended from time to time) every company having net worth of Rs. 500 crore or more, or turnover of Rs. 1,000 crore or more or a net profit of Rs. 5 crore or more during the immediately preceding financial year shall constitute a Corporate Social Responsibility Committee and shall 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, in pursuance of its Corporate Social Responsibility Policy.

Since the Company meets the aforesaid limits, the Company has constituted the Corporate Social Responsibility Committee.

The Company would carry out its responsibilities of Corporate Social Responsibility for the year with a collective goal on key focus areas enumerated in this policy.

#### **Our Vision**

The Company’s vision is to provide opportunities for children and their families to move from poverty and dependence to self-reliance. Motilal Oswal Home Finance Limited believes in `Knowledge First` and the Company believes that education can bring prosperity and equality in the society.

In line with our motto of “Knowledge First”, the Company believes in enhancing the only human intangible asset. Recognizing the responsibilities towards society, we intend to carry out initiatives for supporting education.

The Company resolves to contribute towards development of knowledge based economy by discharging Corporate Social Responsibilities (CSR) that would positively impact on customers, employees, shareholders, communities and other stakeholders in various aspects of its operations.

## **SECTION II - OUR APPROACH TOWARDS CORPORATE SOCIAL RESPONSIBILITY**

In line with our motto of “Knowledge First”, the Company believes in enhancing the human intangible asset and thus the Company shall strive to contribute largely to the education & learning front.

### **Our Approach:**

1. Identification and formulation of projects in response to meet societal needs in diverse areas and to implement them with full involvement and commitment in a time bound manner.
2. In cases where other agencies/organizations are involved, approach would be to focus on collaboration and partnership.
3. The Company will act as an agency to ensure delivery of services satisfying social and community needs.
4. The Company will also provide financial assistance in the form of grant-in-aid assistance, interest free loans, corpus fund support and soft loan support, etc.

### **Management Commitment:**

The Board, Management, employees of the Company contribute to our motto at their individual level. The Company at various levels constantly strives to enrich its philosophy. We are committed to:

1. Continuous improvement in our Corporate and Social Responsibility (CSR) strategy;
2. Acting in a socially responsible way;
3. Continually improving our performance and meeting all relevant legislation;
4. Encouraging our staff to be mindful of the effect of their actions on any natural resource.

## **SECTION III - ACTIVITIES PERMITTED TO BE UNDERTAKEN UNDER CORPORATE SOCIAL RESPONSIBILITY**

1. Eradicating hunger, poverty and malnutrition, promoting 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.
2. Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
3. 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.
4. 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 including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.

5. 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.
6. Measures for the benefit of armed forces veterans, war widows and their dependents.
7. Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports.
8. 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.
9. 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.
10. 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).
11. Rural development projects.
12. Slum Area Development.
13. Disaster management, including relief, rehabilitation and reconstruction activities.
14. Contribution towards aforesaid activities related to COVID-19 except contribution to Chief Minister's Relief Fund or State Relief Fund for COVID-19.
15. Such other activities as may be permitted from time to time.

#### **SECTION IV - PROHIBITED ACTIVITIES UNDER CSR**

The Company will abstain from carrying out following activities under CSR which may create dissatisfaction among any section of the Society:-

1. Activities undertaken in pursuance of normal course of business of a Company barring few exceptions stated in the Rules;
2. Activities undertaken outside India, except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
3. Contribution of any amount directly or indirectly to any political party as given under Section 182 of the Act ;
4. Activities benefiting employees of the company as defined in section 2(k) of the Code on Wages, 2019; i.e. activities only for employees or employees can't be sole beneficiaries;
5. Sponsorship activities for deriving marketing benefits for products/ services;
6. Activities for fulfilment of statutory obligations under any law in force in India;

9. CSR projects or programs or activities that benefit only the employees of the Company and their families;
10. Such other exclusions as may be defined in the Act and Rules from time to time.

## **SECTION V - INSTITUTIONAL SET UP**

The Company makes contribution to various causes directly and through Motilal Oswal Foundation (“MOF”), a Section 25 Company incorporated under Companies Act, 1956 on June 24, 2011 having its registered office at Motilal Oswal Tower, Rahimtullah Sayani Road, Opposite Parel ST Depot, Prabhadevi, Mumbai-400025.

Motilal Oswal Foundation is a non-profit organisation to support social initiatives of the Company. The Foundation is promoted by Mr. Motilal Oswal, Mr. Raamdeo Agarawal and Passionate Investment Management Pvt. Ltd., the Group Holding Company.

The Foundation is headed by Mrs. Suneeta Agrawal and Dr. Pratiksha Mehta. Promoting education, preventing malnourishment, healthcare and disaster relief are the key focus areas of Motilal Oswal Foundation.

The contributions made by the Company to Motilal Oswal Foundation shall be considered as CSR activity after complying with the provisions specified in the Act and Rules made thereunder and the CSR expenditure shall be considered as spent only if MOF has in turn spent such amount.

The CSR Monitoring Cell shall decide and specify the project(s)/program(s) to be undertaken through Motilal Oswal Foundation, modalities of utilization of funds on such project/program and monitoring and reporting mechanism.

## **SECTION VI - ACTIVITIES/ PROJECTS/ PROGRAMS TO BE UNDERTAKEN**

### Education and Related Amenities

Motilal Oswal Foundation strives to make quality education accessible to the underprivileged section of our society. For this the Foundation will partner with NGOs after thorough due diligence for multiple projects such – improving the physical environment of schools, enhancing teaching-learning experience, students guidance and development, building hostel facilities, etc. The Foundation will also support not-for-profit organizations setting up educational institutes for higher education in India.

### Prevention of Malnourishment

Motilal Oswal Foundation will partner with non-profit organization that runs mid-day meal programs in schools to provide nourishing meals to the school students.

### Healthcare

Motilal Oswal Foundation will seek to contribute in the healthcare sector for the benefit of the larger society.

### Disaster Relief

The Foundation will also make funds available directly or through implementing partners to support natural disaster relief efforts as may be required in the country from time to time.

### **CSR in collaboration or through a medium**

The Board of a Company will undertake its CSR activities as approved by the CSR Committee, either directly by the Company or through implementing agencies (NGOs). The implementing agencies being considered for a partnership will need to comply with the following criteria:

- The NGO can be a company established by the Company either singly or along with any other company and can be a company established under Section 8 of the Act / Registered Public Trust / Registered Society with a registration under Section 12A and Section 80G of the Income Tax Act, 1961, or
- The NGO can be a company registered under Section 8 of the Act / Registered Public Trust / Registered Society with a registration under Section 12A and Section 80G of the Income Tax Act, 1961 and with an established track record of at least 3 years viz. Motilal Oswal Foundation, or
- The NGO can be an entity established under the Act of Parliament or State Legislature, or
- The NGO can be an entity established by the Central or State Government,
- The NGO / Agency will need to have a permanent office in India;

All implementing agencies satisfying any of the above-mentioned criteria, will need to register themselves with the Central Government by filing e-form CSR-1 electronically and obtain a unique CSR Registration Number from the MCA.

## **SECTION VII - BUDGETING AND ALLOCATION OF FUNDS**

1. CSR Committee of the Company shall prepare an annual action plan for each year considering the minimum annual spend mandate under Section 135 of the Act and its corresponding rules which shall be placed before the Board of Directors for approval.
2. The Board of Directors shall approve annual budget allocations to be spent on CSR by the CSR Committee, shall identify ongoing projects in case of unspent amount and shall exercise including but not limiting to such other powers as defined in the Act.
3. Expenditure for building CSR capacities of the employees shall not exceed 5% of the total CSR expenditure in one financial year.
4. For ensuring effective delivery, all projects initiated shall be financed in a phased manner. Funds shall be committed for long-term projects and shall be disbursed on a yearly/quarterly installment basis.



5. Any Profit arising out of the CSR projects or programs or activities shall not form part of the business profit of the company.
6. Ensure that the Company, treats the CSR Spends i.e. CSR surplus, excess expenditure and unspent CSR funds as per the modalities prescribed in the Act and Rules.
7. For an ongoing projects (as defined in the Rules), if any amount budgeted to be spent for the year remains unspent, then such an unspent amount will be allocated towards such ongoing project for spending in any of the three succeeding financial years and will be transferred to the Unspent Corporate Social Responsibility account opened with a scheduled bank by the Company within 30 days from the end of the financial year. For other projects, such amount will be transferred to a fund specified in Schedule VII within 6 months of the expiry of the financial year.
8. In case of deviation in implementation as defined in the annual action plan, such changes shall be approved by the CSR Committee and the Board of Directors of the Company.

### **SECTION VIII - IMPLEMENTATION**

The Company's CSR initiatives will be implemented by the Company's management and Motilal Oswal Foundation under the guidance of Corporate Social Responsibility Committee (the "Committee") of the Board of Directors (the "Board") of the Company.

### **SECTION IX - MONITORING AND EVALUATION**

A two-tier monitoring mechanism for the CSR projects may be developed:

1. CSR Monitoring Cell
2. Periodic Review by the CSR Committee

#### CSR Monitoring Cell

The Company would establish CSR Monitoring cell consisting of following personnel who shall identify the projects and allocate the amount up to Rs. 1 crore towards CSR projects/activities in case of unallocated CSR amount, monitor the utilization of funds and status of implementation and execution of CSR Projects on regular basis:-

1. Mr. Motilal Oswal
2. Mrs. Suneeta Agarwal
3. Ms. Amita Chaurasia
4. Mr. Nikunj Pugalia
5. Ms. Vishaka Bahadkar

The Cell will send status reports to the CSR committee on periodic basis.

#### CSR Committee



The role of CSR Committee with respect to the corporate social responsibility is enumerated below:-

Role of CSR Committee:

The Corporate Social Responsibility Committee shall:-

1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;
2. Formulate and recommend an Annual Action Plan including list of CSR projects or programmes, manner of execution of such projects, modalities of fund utilization and implementation schedules, monitoring and reporting mechanism for the projects, and details of need and impact assessment, if any, for the projects to be undertaken;
3. Recommend the amount of expenditure to be incurred on the CSR activities and
4. Monitor the Corporate Social Responsibility Policy of the company from time to time.

Composition of CSR Committee:

The Committee shall consist of at least three directors out of which at least one shall be an Independent Director.

Discharge of Powers by Board in absence of CSR Committee:

In case when CSR contribution does not exceed Rs. 50 lakhs or any limits prescribed under the Act, then in such cases all the powers/functions of CSR Committee, shall be discharged by the Board of Directors of the Company.

## **SECTION X - POST IMPLEMENTATION IMPACT ASSESSMENT**

Based on the criteria defined in the Act and Rules, the effectiveness of the various programs/activities undertaken under the CSR shall get evaluated through external agencies for providing the required feedback and inputs to formulate and improve the programs in future and impact assessment report shall be placed before the Board and be annexed to the Annual Report on CSR.

## **SECTION XI - REPORTING**

An annual report of the activities undertaken under the CSR initiatives shall be prepared in as per format given under the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended mentioning the brief outline of the Company's CSR Policy, composition of CSR Committee, average net profit of last 3 financial years and including other details as required

under the given format. The annual report of the CSR shall form part of the Board's Report of the Company.

## **SECTION XII - INFORMATION DISSEMINATION**

The Company's advancement in the CSR segment shall be disseminated on its website and annual reports. The CSR policy, Composition of the CSR Committee and Projects approved by the Board shall be displayed on the Company's website.

## **SECTION XIII - REVIEW AND AMENDMENT**

If at any point a conflict of interpretation / information between the Policy and any regulations, rules, guidelines, notification, clarifications, circulars, master circulars/directions issued by relevant authorities ("Regulatory Provisions") arises, then interpretation of the Regulatory Provisions shall prevail.

In case of any amendment(s) and/or clarification(s) to the Regulatory Provisions, the Policy shall stand amended accordingly from the effective date specified as per the Regulatory Provisions. The Board and/or its Committee reserve(s) the right to alter, modify, add, delete or amend any of the provisions of the Policy.