MANIPAL PAYMENT AND IDENTITY SOLUTIONS LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

VERSION CONTROL

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MANIPAL PAYMENT AND IDENTITY SOLUTIONS LIMITED MANIPAL

TABLE OF CONTENTS

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1. LEGAL FRAMEWORK

Section 135 of the Companies Act, 2013 ('the Act'), read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 ('CSR Rules') requires every company having: (i) Net worth of Rs. 500 crore or more; or (ii) Turnover of Rs. 1,000 crore or more; or (iii) Net Profit of Rs. 5 crore or more during the immediately preceding financial year ('FY') to constitute a Corporate Social Responsibility Committee ('CSR Committee') of the Board consisting of three or more directors, out of which at least one director shall be an Independent Director. Further, the CSR Committee so constituted shall formulate a Corporate Social Responsibility Policy ('CSR Policy') and recommend the same to the board of directors of the company ('Board') for its approval.

In compliance with the requirements of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, Manipal Payment and Identity Solutions Limited ('Company') is, inter alia, required to:

Constitute a (CSR Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director. Further, the CSR Committee so constituted shall formulate a 'CSR Policy' and recommend the same to the Board for its approval, recommend the amount of CSR expenditure, and monitor the CSR activities of the Company from time to time.

Ensure that the Company spends, in every financial year, at least two percent of the average Net Profits of the Company, made during the three immediately preceding financial years, in pursuance of its CSR Policy.

2. EFFECTIVE DATE

This Policy shall come into force with effect from 23rd June, 2025.

3. OBJECTIVE & SCOPE

The objective of having this CSR Policy, apart from statutory compliance, is to uplift communities through impactful and sustainable initiatives in education, health, financial literacy, skill development, research and culture, thereby driving reverse migration and fostering holistic growth. These goals collectively aim to create a positive societal impact while aligning with the Company's business objectives and values.

The Company's vision is to be a socially responsible corporate citizens that empower lives by providing access to education, healthcare, skill development, environment protection, water, livelihood opportunities, and other essential services to improve the overall quality of life. As responsible corporate citizens, we are committed to fulfilling the requirements laid down under the Companies Act, 2013, and act diligently to comply with allits rules and regulations on CSR.

4. DEFINITIONS

"Act" means the Companies Act, 2013;

"Board" means Board of Directors of the Company;

"Company" means Manipal Payment and Identity Solutions Limited;

"Corporate Social Responsibility /CSR" means and includes but is not limited to:

(i) Projects or programs relating to activities, areas or subjects specified in Schedule VII of the Act, or

(ii) Projects or programs relating to activities undertaken by the Board of Directors of the Company in pursuance of recommendations of the CSR Committee of the Board as per this CSR Policy of the Company subject to the condition that such policy will include activities, areas or subjects specified in Schedule VII of the Act.

"CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.

"CSR Policy" relates to the activities to be undertaken by the Company in areas or subjects as specified in Schedule VII to the Act and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of a company.

"CSR Expenditure" shall include all expenditure including contribution to corpus for projects or programs relating to the CSR activities approved by the Board on the recommendation of its CSR Committee but shall not include any item not in conformity or not in line with activities which fall within the areas or subjects specified in Schedule VII to the Act.

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

(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:

Provided that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381, read with section 198 of the Act.

This definition is in line with Rule 2 (h) of Companies (Corporate Social Responsibility Policy) Rules, 2014.

5. CORE PRINCIPLES

(i) **Sustainability**: Focus on long-term impact and community self-reliance
(ii) **Collaboration**: Partner with government bodies, NGOs and experts for maximum outreach in the short term and then build an outreach team within the Group in the long term
(iii) **Accountability**: Maintain transparency through robust monitoring and reporting to build trust
(iv) **Inclusivity**: Empower marginalized groups and foster equitable growth

6. FOCUS AREAS OF ENGAGEMENT

1. Education & economic development
   - (i) Sponsor salary of temporary staff and teachers
   - (ii) Arrange for stationery & basic furniture including sports materials and utensils
   - (iii) Arrange for hygienic and sanitized surroundings
   - (iv) Train students in basic communication / soft skills / etiquettes
   - (v) Arrange for healthy mid – day meals
   - (vi) Career counselling

2. Healthcare & community uplift
   - (i) Arrange for regular health camps in remote areas / adopted schools
   - (ii) Organize talks on basic sanitation and hygiene in remote areas / adopted schools
   - (iii) Provide sanitation and first aid items to Schools, primary health care centre & rural hospitals
   - (iv) Guidance by eminent dieticians on the dos / don'ts of alternate medicines / home remedies
   - (v) Awareness camps for new mothers & care takers in rural hospitals
   - (vi) Distribute fruits & food items to rural hospital inmates on special occasions

3. Skill development & Livelihood generation
   - (i) Tie up with Skill development agencies to identify focus areas
   - (ii) Conduct digital literacy camps in NGOs / rural areas for youth
   - (iii) Organize soft skill trainings
   - (iv) Provide scholarships to needy & eligible youth for skill development trainings

4. Women empowerment & equitable society
   - (i) with self-help groups for women empowerment and identify projects
   - (ii) financial independence, financial literacy, digital literacy and self defense trainings
   - (iii) fests to promote women entrepreneurs

5. Contribute & promote Incubators or research & development projects
   - (i) Tie up with institutions that promote R&D and identify projects that align with the Group's vision
   - (ii) Handhold and support identified projects

6. Promote & preserve culture & heritage sites, indigenous handicrafts, handlooms, cottage industries, etc
   - (i) Tie up with institutions that promote Culture & Heritage sites
   - (ii) Identify their needs and support maintenance of their projects
   - (iii) Organise trainings to promote handicrafts, handlooms, cottage industries, etc
   - (iv) Arrange for fests to market handicrafts, handlooms, cottage industries, etc

7. CSR BUDGET

The Board shall ensure that Company spends, in every financial year, at least two per cent of the average net profits made during the three immediately preceding financial years on CSR activities mentioned in Schedule VII of the Act or such minimum budget as may be statutorily mandated. Computation of average net profits will be carried out in accordance with the provisions of Section 198 of the Act.

To ensure compliance with GoI guidelines, any funds allocated for CSR activities by the Company are earmarked for approved projects as determined by the Board level CSR Committee. Surplus arising from these projects is not considered as part of the company's business profit, and any unspent amount will be dealt with in accordance with the provisions of the Companies Act.

Furthermore, any capital assets acquired or created using CSR funds must be held by a company established under Section 8 of the Companies Act, a registered Public Trust or Registered Society with charitable objectives and a CSR Registration Number, or by beneficiaries of the project in the form of self-help groups, collectives, entities, or a Public Authority. It is imperative for the Company to effectively manage its CSR activities and ensure that any surplus funds are appropriately utilized for approved CSR projects.

8. GOVERNANCE STRUCTURE

(a) Corporate Social Responsibility Committee and Role of CSR Committee

In accordance with the provisions of the Act under Sec 135(9), the Company required to constitute a CSR Committee if the amount to be spent by the Company in terms of Section 135(5) of the Act exceed Rupees Fifty Lakhs.

The Board shall constitute the CSR Committee as and when required inter alia, to comply with the provisions of the Companies Act, 2013 and applicable statutory requirements.

The Company has constituted a CSR Committee as per the provisions of the Act, read together with the Companies (Corporate Social Responsibility Policy) Rules, 2014, to ensure that the purpose of this Policy is being effectively served. The Corporate Social Responsibility Committee ('CSR Committee') of the Company.

As per the Companies Act, the CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of this Policy, which shall include the following, namely:

(i) Ensure that the programmes /projects undertaken by the Company on its own or through the implementing partners are aligned with the approved CSR Policy of the Company and are also aligned to Schedule VII and Section 135 of the Act.
(ii) To recommend the amount of expenditure to be incurred on the activities in a financial year.
(iii) To monitor, revise, and modify the CSR Policy of the Company from time to time based on the evolving legislature.
(iv) To receive reports from implementing partners to assess the performance and effectiveness of projects supported by the Company.
(v) To formulate and recommend monitoring and reporting mechanism for the projects or programmes
(vi) To formulate details of need and impact assessment, where required under the Companies Act, 2013, for the projects undertaken by the Company
(vii) Respond to any query, observation or clarification sought by the Ministry of Corporate Affairs or any other regulatory authority with regard to the Company's CSR- supported initiatives.
(viii) Develop and institutionalize a CSR reporting mechanism in light with Section 135, Rule 8 of the Act.
(ix) Ensure that the Company gives preference to the local areas around its operations for spending the amount earmarked for CSR projects
(x) Ensure that not more than five percentage of the total CSR expenditure is spent for the

administrative overheads.

(xi) Any other matter / thing as may be considered expedient by the Members of the Committee in furtherance of and to comply with the CSR Policy of the Company.

(b) Responsibilities of the Board

(i) Form a CSR Committee and disclose the composition of the CSR Committee.

(ii) Approve the CSR Policy after considering the recommendations made by the CSR Committee.

(iii) Place the CSR Policy on the Company's website.

(iv) Ensure implementation of the activities under CSR.

(v) Ensuring that the CSR activities are related to the activities, areas or subjects included in Schedule VII of the Act

(vi) Ensure expenditure of requisite amount on CSR every year as per law.

(vii) Disclose reasons for not spending the amount (if applicable) in the annual report to the shareholders of the Company.

(viii) Ensuring that the Company spends, in every financial year, at least two percent of the average Net Profits made during the three immediately preceding financial years or such minimum budget as may be statutorily mandated under the law

(ix) Ensure that no more than five percentage of the total CSR expenditure is allocated for the administrative overheads.

(x) Ensure that the funds disbursed towards CSR activities have been utilized for the purposes and in the manner as approved by Board and the Chief Financial Officer shall certify to that effect.

(xi) Any amount remaining unspent, pursuant to any ongoing project, as defined under the Act, 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. Approve transfer of unspent CSR amount in accordance with the Act unless the unspent amount relates to any ongoing project, transfer such unspent amount to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.

9. MODE OF IMPLEMENTATION

The Board shall ensure that the CSR activities are undertaken by the Company itself or jointly or through-

(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.

The Company may collaborate with other companies for CSR projects or programs. However, the CSR Committees of the respective companies must report separately on such initiatives according to the Companies (CSR) rules. All relevant requirements and provisions of the Companies Act 2013 in this regard shall apply.

The Company may directly implement the CSR activities as per the provision of the CSR rules wherein it will directly plan, place work/ purchase order, monitor and review the CSR projects being implemented directly.

10. REPORTING FRAMEWORK

The Company will ensure that proper documentation is maintained for CSR policy, annual CSR activities, executing partners, and expenditures, and the same will be made available in the public domain. The Company's CSR initiatives will also be reported in the Annual Report of the company including in Business Responsibility Sustainability Report (BRSR).

The Company is committed to maintaining transparency and accountability in its CSR activities and will continue to engage with stakeholders through various channels to keep them informed and engaged.

11. COMMUNICATION

This Policy shall be hosted on the website of the Company.

12. RETENTION OF DOCUMENTS

All important documents generated in the implementation of this CSR Policy shall be retained by the Company for a period of 8 (eight) years or such other period as specified by any other applicable law in force, whichever is more.

13. ADMINISTRATION OF THE POLICY

The CSR Committee shall periodically review the implementation of the CSR Programs and issue necessary direction from time to time to ensure orderly and efficient execution of the CSR programs in accordance with this Policy. It would be the responsibility of the CSR Committee to periodically keep the Board apprised of the status of the implementation of CSR activities.

The Company acknowledges the amendments made to the earlier CSR Rules of 2014 and notified the Companies (Corporate Social Responsibility Policy) Amendment Rules 2021, to make impact assessment mandatory for companies undertaking CSR activities and CSR expenditure above a specified threshold (i.e CSR budget of INR 10 crore or more in any fiscal year and all projects with outlays of INR 1 crore or more). The Company shall adhere to the respective mandate if and when it falls under the obligatory criteria stated in the Act.

The expenditure for the impact assessment shall be booked towards CSR for that financial year, which shall not exceed two percent of total CSR expenditure for that financial year or fifty lakh rupees, whichever is higher.

14. REVIEW AND AMENDMENT

This Policy will be reviewed by the CSR Committee for its effectiveness as well as aligning with legal provisions, every year or earlier, as per the need and requirements. The CSR Committee shall submit its recommendations to the Board.

The Board on its own and/or as per the recommendations of CSR Committee can amend this Policy, as and when required. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the provisions of the Act and Rules thereunder on the subject, from time to time.

This Policy will maintain alignment with Section 135 of the Companies Act, 2013, and Schedule VII thereto. In case of any contradiction between this Policy and the CSR provisions under the Companies Act,2013, the later shall prevail.

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