

Corporate Social Responsibility Policy

Approved by the Board on 28-06-2024

Objective and Scope

Objective

The main objective of the CSR Policy is to lay down guidelines for **mPokket Financial Services Private Limited** (hereinafter referred to as 'the Company') on making a positive contribution to society through effective impact and sustainable development programs.

This Policy covers the proposed CSR activities to be undertaken by the Company and ensuring that they are in line with Schedule VII of the Companies Act, 2013 as amended from time to time. It covers the CSR activities which are being carried out in India only and includes strategy that defines plans for future CSR activities.

Scope & Coverage

Section 135 of Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules 2014, mandates every company having a Net Worth of 500 crores or more or having a turnover of Rs. 1000 crores or more or a Net Profit of Rs. 5 crores or more during the immediately preceding financial year to spend in every financial year at least 2% of its average net profits of immediately three preceding financial years. The CSR activities of the Company shall include, but not limited to any or all of the sectors/activities as may be prescribed by Schedule VII of the Companies Act, 2013 amended from time to time. Further, the Company will review the sectors/activities from time to time and make additions/ deletions/ clarifications to the above sectors/activities.

Corporate Social Responsibility (CSR) Committee

Constitution

Pursuant to the provisions of Section 135 of the Act, the Board of Directors shall constitute the Corporate Social Responsibility (CSR) Committee. The Members of CSR shall be appointed by the Board of Directors of the Company. Subject to proviso clause of the applicable provision of the Companies Act 2013 since the company is not required to appoint an independent director under sub-section (4) of section 149, it shall have in its Corporate Social Responsibility Committee two or more Directors. Accordingly, the constitution of CSR Committee formed by mPokket Financial Services Private Limited is as follows:

Sl. No.	Name of the member	Designation in committee	Designation in the Company
1	Mr. Supriyo Kumar Chaudhuri	Chairperson	Independent Director
2	Mr. Abhishek Agarwal	Member	Director
3	Mr. Gaurav Jalan	Member	Director

Functions and Powers of Committee

To effectively implement the objectives of the Company with respect to CSR, the Committee is vested with the following functions and powers:

- Formulate CSR Policy and recommend the same to the Board of Directors of the Company for approval
- Recommend CSR activities as stated under Schedule VII of the Act
- Approve to undertake CSR activities, if necessary, in collaboration with group companies/other Companies/firms/NGOs etc., and to separately report the same in line with the CSR Rules
- Recommend the CSR Budget
- 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

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- Create transparent monitoring mechanism for implementation of CSR initiatives in India
- Submit the Reports to the Board in respect of the CSR activities undertaken by the Company
- Monitor CSR Policy from time to time
- Authorize executives of the Company to attend the CSR Committee Meetings, if necessary

Meetings of the Committee

For smooth functioning of the Committee, the members shall meet as below to discuss such matters and to take such decisions as may be necessary;

- a. The CSR Committee shall meet as and when required and subject to such minimum number and frequency as the Board may decide from time to time or as prescribed by any law or authority.
- b. The members of the Committee may mutually agree between them regarding time and place for the said meetings.
- c. The quorum for the CSR Committee Meeting shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or two members, whichever is higher.
- d. The Members of the Committee may participate in the meeting either in person or through video conferencing or other audio-visual means as may be convenient.

CSR Spend

The Companies Act, 2013 prescribes that the companies which meet the criteria specified U/s. Sec. 135 shall allocate certain portion of its annual net profits (calculated as per Sec. 198) during the three immediately preceding financial years to be spent on CSR Activities that fall under the categories specified under Schedule VII of the Act.

CSR Expenditure

Net profit for the purpose of allocation towards CSR means profit more fully described under Rule 2(f) of the CSR Rules. The CSR expenditure shall include all expenditure including contribution to corpus or on projects or programs relating to CSR activities approved by the Board of Directors 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 stated under Schedule VII of the Act.

Expenditure on CSR capabilities

The Company may build CSR capabilities of their own personnel as well as of their Implementing Agencies and such expenditure shall not exceed 5% of the total CSR spend of the Company as stated in the Rules from time to time. Determination of whether particular expenses fall within this 5% cap can be decided in consultation of the Finance Department of the Company based on the clarification available from time to time in this regard.

Failure to spend the CSR Money

If the Company fails to spend the required amount of CSR in a particular financial year, it is the duty of the Committee to submit a report in writing to the Board of Directors specifying the reasons for not spending the amount, which in turn shall be reported by the Board of Directors in their Annual Report pertaining to that particular Financial Year.

Surplus, if any, arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.

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CSR Initiatives

Pursuant to Schedule VII of the Act and the CSR Rules, the Company shall undertake CSR activities included in its Annual CSR Plan, as recommended by the CSR Committee at the beginning of each year. The Committee is authorized to approve any modification to the existing Annual CSR Plan or to propose any new program during the financial year under review.

Annual CSR Plan

The Annual CSR 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 inter alia the following aspects of CSR initiatives of the Company:

- Project Proposals
- Targeted Beneficiaries and their key needs
- Alignment with Schedule VII
- Project Goals and milestones
- Activities and Timelines including expected closure dates
- CSR Budget with projections
- Monitoring mechanism
- Progress reporting and frequency of reports
- Risks and mitigation strategies
- Any other information as may be required by the CSR Committee

Collaboration

It is expressly allowed under the CSR Rules that the Company may collaborate with any other Company or association formed in this regard subject to approval by CSR Committee, to implement CSR activities and the same shall form a part of the Annual CSR Plan.

Disqualifying Activities for CSR

The CSR Rules disqualifies the CSR projects and programs that are implemented by the Company for benefit of the employees of the Company and their families.

The CSR activities implemented outside India also fall outside the purview of the Rules and hence CSR expenditure on such activities will not be considered for inclusion in the CSR Report.

Any amount directly or indirectly contributed towards any political party under Section 182 of the Act shall not be considered as CSR Spend.

Activities that are undertaken by the Company in pursuance of its normal course of business will not be considered as CSR activities.

Reports

The CSR Committee will prepare reports that are required to be placed before the Board. The format of the Report shall be the format prescribed under the CSR Rules of the Companies Act, 2013

Reporting and publication of CSR policy

As per the CSR Rules, the contents of the CSR Policy shall be included in the Directors' Report and the same shall be displayed on the Company's website, if any.

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Policy review and future amendment

The administration of the CSR Policy of the Company and the execution of identified CSR projects, programs and activities under it shall be carried out under the control and overall supervision of an CSR Committee formed for this purpose.

Further, the Board of Directors may revise/ amend this CSR Policy based on the recommendations of the CSR committee or to bring the same in line with the guidelines or amendments issued from time to time by Government on the subject.