Corporate Social Responsibility

of

M.R.L Posnet Private Limited
1.1. Context

While M.R.L Posnet Private Limited (“Company”) continues to provide expert electronic payments services across the country, it has not lost sight of its commitment to play its role as an enlightened corporate citizen. Corporate Social Responsibility has always been on its agenda. This document details the CSR Policy of in line with the Companies Act, 2013 and Rules made thereunder.

1.2. Objectives of the CSR Policy

This policy shall be read in line with Section 135 of the Act, Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other rules, regulations, circulars, and notifications (collectively referred hereinafter as ‘Regulations’) as may be applicable and as amended from time to time and will, inter-alia, provide for the following:

- Establishing a guideline for compliance with the provisions of Regulations to dedicate a percentage of Company's profits for social projects
- Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting

2. Definitions

- “Act” means the Companies Act, 2013

- "Corporate Social Responsibility (CSR)" means and includes but is not limited to a) Projects or programmes relating to activities specified in Schedule VII to the Act or b) Projects or programs relating to activities undertaken by the board of directors of a Company in pursuance of recommendations of the CSR Committee of the Board as per declared CSR policy of the company subject to the condition that such policy will cover subjects enumerated 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 CSR outlook of the Company and the activities to be undertaken by the company 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.

• "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:
   a) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
   b) 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 net profit in respect of a financial year for which the relevant financial statements were prepared in accordance with the provisions of the Companies Act, 1956, (1 of 1956) shall not be required to be re-calculated in accordance with the provisions of the Act.

3. Constitution of the CSR Committee

The CSR Committee will consist of three Board of Directors of the Company, to carry out following functions:

• Formulation and Review of the CSR Policy.

• Recommendation of expenditure towards CSR Activities to Board of Directors.

• Formulation of a transparent monitoring mechanism to ensure implementation.
• Annually report to the board, the status of the CSR Activities and contributions made by the Company.

• Any other requirements mandated under the Act and Regulations hitherto.

The CSR Committee shall meet as often as its members deem necessary to perform the duties and responsibilities.

CSR Committee of the Board comprises of:

1. Mr. Deepak Chandnani
2. Mr. Ramesh Narasimhan

4. Procedure

4.1. CSR funding and expenditure
• The company shall ensure that it spends, in every financial year, at least 2% of its average net profits made during the three immediately preceding financial years in pursuance to the Act and prevailing Regulations.

• Any surplus arising out of the CSR Activities will not form a part of the business profits of the company.

• CSR Expenditure shall not include Projects or programs or activities undertaken outside India.

• Any income/surplus arising out of CSR Activities will be used for CSR only.

• The CSR committee shall recommend contributing funds towards building the CSR capabilities of the Company's personnel, but such expenditure shall not exceed 5% of the total CSR expenditure of the company in one financial year.

4.2. CSR Activities
Out of the Activities specified in Schedule VII of the Act, the Company shall undertake its CSR activities on the following areas:

- Promoting education, including special education & employment enhancing vocation skills especially among children, women, elderly & the differently abled & livelihood enhancement projects.

- Contribution to the Prime Minister’s National Relief 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.

- Contributions or funds provided to technology incubators located within academic institutions, which are approved by the Central Government.

- Rural development projects.

- 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.

**Ancillary Activities**

- To publicise the CSR Policy and initiatives org-wide, especially through mailers, screensaver and Policy documentation and upload(s) on website.

- To plan and carry out workshops to increase employee awareness on various projects and initiatives.

- Such other activities as directed by the Board of Directors of the Company and/or as deemed appropriate and expedient by the Committee for the
furtherance of CSR objectives of the Company, in pursuance with the Regulations.

The Company will review the above sector from time to time and make additions/deletions/clarifications to the above sectors.

4.3. The following activities do not qualify as CSR Activities under the Companies Act, 2013:

- Projects or activities not falling within Schedule VII.
- Activities undertaken in pursuance of normal course of business.
- Projects or programs or activities that benefit only the employees of Company and their families.
- Direct or indirect contribution to any political party.

5. **Implementation Structure**

- The CSR activities shall be undertaken either directly or through one or more registered trusts or societies with an established track record of three years in undertaking similar programs or projects.

- The Company shall specify the project or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.

- Modalities of execution and implementation schedule for CSR activities shall be defined by Supervisory Committee.

6. **Monitoring**
• Appropriate documentation and amendments of the CSR Policy, annual CSR activities, reports on execution by CSR Partner(s) and expenditures will be undertaken on a regular basis and same will be available to the Board of Directors of the Company.

• Initiatives undertaken on the CSR front will be reported in the Annual Report of the Company.

• The CSR Committee and persons / entities authorised by it, will conduct due diligence checks on the current projects/partners on a quarterly basis and report anomalies, if any, immediately.

7. **Modification**

   Any or all provisions of the CSR policy would be subject to revision/amendment by the Board of Directors of the Company on the recommendations of the CSR Committee or in accordance with the guidelines on the subject as may be issued from time to time.