

**MY MOBILE PAYMENTS LIMITED**



**CORPORATE SOCIAL RESPONSIBILITY**  
**(CSR)**  
**POLICY**  
**OF**  
**MY MOBILE PAYMENTS LIMITED**

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## PHILOSOPHY

My Mobile Payments Limited (hereinafter referred as “the Company”) believes that the Company being a corporate citizen has to fulfill its responsibilities towards the society and contribute to social, economic and environmental development of the country.

Pursuant to Section 135 of the Act and the Rules, every Company having Net Worth of Rs.500 crore or more or Turnover of Rs.1,000 crores or more or Net Profit of Rs. 5 crores or more during any of the 3 (three) preceding financial years shall constitute a CSR Committee and the CSR Committee shall formulate and recommend a CSR Policy.

The CSR Committee so constituted formulated a CSR Policy and recommended the same to the Board of Directors of the Company (“Board”) for its approval. The Board by its resolution dated 15<sup>th</sup> August, 2015 approved and adopted this CSR Policy with immediate effect.

## OBJECTIVE

This CSR Policy shall be read in line with Section 135 of the Act, the Rules 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 the Regulations to dedicate a percentage of Company's profits for social projects, and
- ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting.

## SCOPE

The Company will keep the CSR operations/initiatives limited to its core competency but will have the liberty of addressing more issues/concerns and other related areas that may directly or indirectly concern the Company.



The Company will bifurcate long term and short term CSR initiatives based on the dependence on profit margins of the Company, its social goals under this CSR Policy, as well as fulfillment of the current expenditure threshold of 2% of Average Net Profit made during the 3 (three) immediately preceding financial years.

## KEY DEFINITIONS

1. **"Act"** means the Companies Act, 2013, as amended from time to time.
2. **"Average Net Profit"** means the profit calculated in accordance with the provisions of Section 198 of the Act.
3. **"CSR Committee"** means the Committee as constituted by the Board in compliance with Section 135 of the Act and rules made thereunder.
4. **"CSR Policy"** means the activities to be undertaken by the Company specified under schedule VII to the Act and expenditure thereon and a policy to the said effect formulated by the CSR Committee and approved by the Board.
5. **"Eligible Agency / Entity"** means a registered trust or a registered society or a company established under Section 8 of the Act.
6. **"Net Profit"** as per the Rules means the net profit of the 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 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, shall not be required to be re-calculated in accordance with the provisions of the Act.

7. **"Net Worth"** as per the Act means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation.
8. **"Rules"** mean the Companies (Corporate Social Responsibility Policy) Rules, 2014 and statutory amendments/modifications thereto.
9. **"Turnover"** as per the Act means the aggregate value of the realization of amount made from the sale, supply or distribution of goods or on account of services rendered, or both, by the Company during a financial year.

Words and expressions used and not defined hereinabove but defined in the Act and / or Rules shall have the same meanings as assigned to them in the Act and / or Rules, as the case may be.

## CSR THRUST AREAS

The CSR activities of the Company need to align with its business objective and global CSR policies and initiatives. This CSR Policy recognizes that corporate social responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas as notified under Section 135 of the Act and the Rules.

In accordance with these primary objectives, the CSR activities of the Company may include but not be limited to following:

- Promoting education including special education and employment enhancing vocational skills to underserved children, men, women, elderly and the differently abled and livelihood enhancement projects;
- Eradicating hunger, poverty, malnutrition, promoting healthcare including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- Reducing child mortality and improving maternal health by providing good hospital facilities and low cost medicines;
- Providing hospital and dispensary facilities with more focus on clean and good sanitation so as to combat human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, 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;
- 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;
- Measures for the benefit of armed forces veterans, war widows and their dependents;
- Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- Contribution to the Prime Minister's 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 Schedule Tribes, other backward classes, minorities and women;



- Contributions or funds provided to technological incubators located within academic institutions which are approved by the Central Government;
- Rural development projects;
- Slum development projects.

*Explanation: For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.*

The above list is illustrative and not exhaustive and the CSR Committee, duly constituted by the Board pursuant to Section 135 of the Act, is authorized to consider activities that may or may not fall in this list and also consider the activities which may be specified by the Ministry of Corporate Affairs from time to time under Schedule VII of the Act in exercise of its power under Section 135 of the Act.

## GEOGRAPHICAL REACH

The Act provides that the Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities. The Company will thus give preference to conducting CSR activities primarily in the State of Maharashtra and such other state(s) in India wherein the Company has/will have its operations. However, the CSR Committee may identify such areas other than stated above, as it may deem fit, and recommend it to the Board for undertaking CSR activities.

## CSR BUDGET

The Company may spend not less than 2% of the Average Net Profits of the Company made during the 3 (three) immediately preceding financial years. The surplus arising out of the CSR activity will not be part of business profits of the Company.

If the Company fails to spend such amount, the Board shall, in its report under clause (o) of sub-section (3) of Section 134 of the Act, shall specify the reasons for not spending the amount.

However, if the Company ceases to be covered under sub-section (1) of Section 135 of the Act, then it shall not be required to comply with the provisions laid down under sub-sections (2) to (5) of the said section, till such time it meets the criteria specified in sub-section (1) of the said section. However, the Company may voluntarily elect to engage in CSR activities per this CSR Policy.

The Board may approve the CSR amount to be spent after due approval of the project by the CSR Committee.

## CSR COMMITTEE

The CSR Committee will consist of 3 (three) directors as constituted/re-constituted by the Board of Directors from time to time.

The CSR Committee shall –

- a. Formulate and recommend to the Board, a CSR policy and activities to be undertaken by the Company as per Schedule VII;
- b. Recommend the amount of expenditure to be incurred on the activities; and
- c. Monitor the CSR policy of the Company from time to time.

The CSR Committee will meet as and when required to discuss and review CSR activities and this CSR Policy. A quorum of 2 (two) members is required to be present for the proceedings to take place. The CSR Committee members may attend the meeting physically or via such audiovisual means as permitted under the Act.

The CSR Committee shall have the authority to obtain professional advice from external sources and have full access to information contained in the records of the Company as well as the powers to call any employee / external consultant or such other person(s) and for such purpose as may be deemed expedient for the purpose of accomplishments of overall CSR objectives laid down under the Act.

## SOURCE OF FUNDS

Considering the requirement of spend as mandated by the Act, the CSR budget of the Company may change every year based on the Average Net Profit made during the 3 (three) immediately preceding financial years.

## IMPLEMENTATION AND MONITORING

The Company will implement all approved projects / programmes as per the directions of the CSR Committee, subject to approval of the Board. These projects will be executed either directly by the Company and/or through CSR Partner(s).

Provided that where an Eligible Agency / Entity is not established by the Company or its holding or subsidiary or associate company, then it shall have an established track record of at least 3 (three) years in carrying on activities in related areas.

The CSR Committee may identify one or more Eligible Agencies / Entities, which will implement the proposed CSR initiatives on the ground or assist the Company, through training or otherwise, in implementing the same ("**CSR Partner(s)**"). In selecting the CSR Partner(s), the Company shall ensure that:

- The organization(s) / agency(ies) must have similar objectives as that of this CSR Policy and preferably working in the same area where the Company intends to implement its CSR initiative(s);
- The Company may be a donor and the organization(s) / agency(ies) which will receive donations from the Company will have to report on the progress of the funded projects within the timeframes prescribed by the Company; and
- The Company will monitor the progress of the projects and programmes, as and when required.





## DISCLOSURES

Apart from the reporting requirement as mentioned hereinabove in this CSR Policy, following regulatory disclosure requirements also need to be complied in relation to CSR activities of the Company.

- The Board shall disclose contents of this CSR Policy in its report and also place it on the Company's website, if any;
- Composition of the CSR Committee shall be disclosed in the Board report;
- The Board report shall include an annual report on CSR activities in prescribed format containing specified particulars i.e. brief outline of this CSR Policy, its content, the Average Net Profit and the prescribed CSR expenditures, etc.;
- If the Company fails to spend the prescribed amount, the Board shall, in its report, specify the reasons for not spending the amount;
- The Board report shall contain a Responsibility Statement of the CSR Committee stating that the implementation and monitoring of this CSR Policy are in conformity with the CSR objectives of the Company and with the Act.

## AMENDMENTS TO THIS CSR POLICY

The Board, on its own and/or as per the recommendations of CSR Committee, can amend this CSR Policy, as and when required as deemed fit. Any or all provisions of this CSR Policy would be subject to revision/amendment in accordance with the Regulations as may be issued from relevant statutory authorities, from time to time.

