



One 97 Communications Limited
Corporate Social Responsibility Policy
Version 4.0

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Background

Corporate Social Responsibility (“CSR”) is strongly connected with the principles of Sustainability; an organization should make decisions based not only on financial factors, but also on the social and environmental consequences. Corporates must recognize that their business activities have wide impact on the societies in which they operate.

This policy shall apply to all CSR initiatives and activities taken up by One 97 Communications Limited (hereinafter referred to as “the Company”), for the benefit of different segments of the society, specifically the deprived, underprivileged and differently abled persons.

Definitions

1. Act

“Act” means the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).

2. Administrative overheads

“Administrative overheads” means the expenses incurred by the Company for ‘general management and administration’ of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.

3. Corporate Social Responsibility Activities/Projects

“Corporate Social Responsibility” or “CSR” means the activities/projects undertaken by the Company in pursuance of its obligation laid down in section 135 of the Act **as per Annexure A**, but shall not include the following:

- i. activities undertaken in pursuance of normal course of business of the Company;
- ii. any activity undertaken by the Company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- iii. contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- iv. activities benefitting employees of the Company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- v. activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services; and
- vi. activities carried out for fulfillment of any other statutory obligations under any law in force in India.

4. CSR Committee

“CSR Committee” means the committee constituted under the provisions of Section 135 of the Act.

5. Implementation Agencies

“Implementation Agencies” includes any other trust, society or company or any entity established under an Act of parliament or a state legislature or any other agency which is eligible to undertake CSR Activities, on behalf of the Company in compliance with the Applicable Laws.

6. Net Profit

“Net profit” means the net profit of a Company as per its financial statements 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.

7. Ongoing Project

“Ongoing Project” means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.

Words and expressions used in this Policy and not defined herein but defined in the Act, or the

Applicable laws shall have the meaning as assigned to them thereunder.

CSR Committee

The Board shall constitute the CSR committee of the Board in accordance with the Act. The responsibilities of the CSR Committee include:

- a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subjects as specified in Schedule VII of the Act
- b) To review and recommend the amount of expenditure to be incurred on the CSR activities.
- c) To monitor the Corporate Social Responsibility policy of the Company and its implementation from time to time
- d) To monitor the Company’s ESG framework, strategy, goals and disclosures;
- e) To constitute an ESG sub-committee (management level committee) which will exercise an oversight on key policies and programs required to implement ESG strategy as well

as monitor its execution; and

- f) any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time and/or as may be required under applicable law, as and when amended from time to time.

Undertaking CSR Activities

Paytm Foundation is the Philanthropy Arm of the Company. All CSR Activities of the Company and its subsidiaries and associates may be undertaken by the Company either directly or through Paytm Foundation or through any other Implementation Agency, as may be approved by the CSR Committee.

Subject to applicable laws, the Company may collaborate with other companies for undertaking projects or programmes or CSR activities, provided that the CSR Committee of the Company, shall separately report to the Board, the details of such projects or programmes that have been undertaken.

CSR Annual Action Plan

The CSR Committee shall decide on the locations for CSR Activities and formulate and recommend to the Board of Directors, an annual action plan in pursuance of its CSR policy which includes:

- I. list of CSR projects to be undertaken
- II. the manner of execution of such projects
- III. utilization of funds and implementation schedule
- IV. monitoring and reporting mechanism for the projects or programs;
- V. impact assessment, if any, for the projects undertaken by the Company.

The Board may modify the annual action plan as per the recommendations of the CSR Committee at any time during the financial year, based on reasonable justification.

CSR Expenditure

- a) The Company shall spend at least 2 percent of average net profit calculated as per the relevant provisions of the Act during the three (3) immediately preceding financial years, on the CSR activities as per Schedule VII of the Act in pursuance of CSR policy and approved annual action plan on the Company.
- b) If in any year ,the Company fails to spend such amount, the Board shall, in its report made under section 134 (3) (o) of the Act, specify the reasons for not spending the amount and, 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 from the expiry of the relevant financial year.
- c) In case, the Company undertakes any ongoing project, any amount remaining unspent and earmarked for the ongoing project, shall be transferred within a period of thirty days from the end of the relevant financial year to a special account to be opened for that financial year in any scheduled bank to be called the 'Unspent Corporate Social

Responsibility Account', and such amount shall be spent within a period of three financial years from the date of such transfer, failing which, the unspent amount shall be transferred to the Fund to specified in Schedule VII of the Act, within a period of thirty days from the date of completion of the third financial year.

- d) If CSR expenditure in a financial year exceeds the statutory limit, such excess may be set-off against CSR expenditure for the immediate succeeding three financial years in accordance with the Act and with the approval of the Board, on the recommendation of the CSR Committee.
- e) The Company may also undertake CSR activities other than those specified in Schedule VII of the Act on a voluntary basis (other than those required to meet statutory obligations) as may be approved by the CSR Committee.

Surplus arising from CSR activity.

Any surplus arising out of the CSR projects, programs or activities shall not form part of the business profit of the Company and shall be treated in the following manner:

- a) ploughed back into the same project or;
- b) shall be transferred to the Unspent CSR Account opened by the Company, from which the said amount shall be spent in pursuance of CSR policy and annual action plan on the Company; or
- c) such surplus will be transferred to a Fund specified in Schedule VII to the Act, within a period of six months from the expiry of the financial year.

Responsibilities of the Board

The responsibilities of the Board concerning CSR are as follows:

- a) Approving CSR Policy of the Company
- b) Disclosing the content of the policy in its report and placing the policy on the Company's website in the manner prescribed under section 135 of the Act.
- c) Ensuring that the CSR activities are related to the activities, areas or subjects included in Schedule VII of the Act.
- d) Ensuring that CSR projects included in the policy are undertaken by the Company.
- e) Ensuring that the Company spends, in every financial year, at least 2 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.
- f) Ensuring that reasons for not spending of earmarked amount are disclosed in the Board's report in case the Company fails to spend such amount.
- g) Ensuring that the Company gives preference to the local areas around its operations for spending the amount earmarked for CSR projects.
- h) Ensuring that administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.

- i) The Board of the Company shall also satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
- j) In case of an ongoing project, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

Monitoring Mechanism

To ensure effective implementation of the CSR programmes undertaken a monitoring mechanism will be put in place by the Company. The CSR Committee will develop a process to obtain feedback from beneficiaries about the efficacy of the programmes.

The progress of CSR programmes under implementation will be reported to the CSR Committee/Board of Directors on a periodical basis.

Impact Assessment

Impact assessment shall be undertaken by the Company through an independent agency as required by and in the manner set out under the Act, and the impact assessment report(s) shall be placed before the CSR Committee and the Board and shall be disclosed as legally required.

Disclosures

The Annual report on CSR Activities shall be included in the Board's Report forming part of the Company's Annual Report. Further, the details of composition of the CSR Committee, the CSR policy and CSR Projects approved by the Board shall be available on the Company website at <https://ir.paytm.com/csr>.

Amendments to the Policy

The Board on its own and/ or as per the recommendations of CSR Committee can amend this Policy, as and when required. Any subsequent amendment/modification in Act or the rules framed thereunder time and/or any other laws in this regard shall automatically apply to this Policy.

Scope and limitation

In the event of any conflict between the provisions of this Policy and the Act or any other statutory enactments, modification or rules, the provisions of the Act or statutory modification, enactments, rules shall prevail over this Policy and the part(s) so repugnant shall be deemed to be severed from the Policy and the rest of the Policy shall remain in force.

Grievance Redressal Mechanism

Anyone who wants to raise grievance under this Policy, should reach out to the Compliance Officer, at secretarial-GRM@paytm.com ("Grievance Redressal Officer"). The board of directors of the Company shall authorize the CEO of the Company to approve any appointment, removal or change the Grievance Redressal Officer under this Policy, whenever any such change is required for any reason whatsoever.

Annexure A

Gist of CSR Activities

The Company will undertake CSR Activities under the following areas:

- i. Eradicating hunger, poverty and malnutrition, promoting health care 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.
- ii. Promoting education, including special education and employment enhancing vocation skills specially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- iii. 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;
- iv. 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;
- v. Protection of national heritage, art and culture including restoration of building and sites of historical importance and works of art: setting up public libraries; promotion and development of traditional arts and handicrafts;
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents;
- vii. Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- viii. Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Schedule Castes, the scheduled tribes, other backward classes, minorities and women;
- ix. a) 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; and
b) Contributions to public funded Universities listed in Schedule VII of the Act
- x. Rural development projects;
- xi. Slum area development;
- xii. Disaster management, including relief, rehabilitation and reconstruction activities; and
- xiii. Any other activities as listed in Schedule VII of the Act.