



ELECTRONIC PAYMENT AND SERVICES (P) LTD
A payment system company

Corporate Social Responsibility Policy

Contents

- 1. Preamble**
- 2. Vision, Objectives and Applicability**
- 3. Scope & Activities**
- 4. CSR Monitoring Mechanism**
- 5. Board CSR Committee**
- 6. Annual Action Plan**
- 7. CSR Budget & Expenditure**
- 8. Implementation of CSR activities**
- 9. Transfer of unspent CSR amount**
- 10. CSR Reporting**
- 11. Display of CSR activities on its website**
- 12. Review of the Policy**

1. Preamble: -

- I. Electronic Payment and Services Private Limited (hereinafter referred to as “EPS” or “the Company”) is a leading provider of payment technology services that provides cross channel, full spectrum technology solutions across the payment value chain. EPS is a one stop shop for all payment solutions and services.
- II. EPS has developed the Corporate Social Responsibility Policy (hereby referred to as “The CSR Policy”) in accordance with Section 135 of the Companies Act 2013 read with the applicable rules framed thereunder (including any statutory modifications or re-enactment thereof) notified by the Ministry of Corporate Affairs (hereby collectively referred to as “the Act”). Corporate Social Responsibility (“CSR”) shall mean the activities undertaken by the Company as per the statutory obligation laid down in section 135 of the Act read with the applicable rules framed thereunder.

2. Vision, Objectives and Applicability: -

- I. EPS recognizes that an enterprise and the society in which it operates are mutually dependent on each other and the growth of the industry is proportionate to the equitable development of the country, its environment and its people. Hence, it is the core responsibility of EPS to practice its core values through the commitment to foster growth in both socially and environmentally possible ways, with an intent of value creation towards the community, society and nation.
- II. The objective of the CSR Policy is to lay down the approach, directions as well as the guiding principles for selection, implementation, monitoring of CSR activities and formulation of the annual action plan.
- III. The CSR Policy shall apply to all CSR Projects / Programs undertaken by the Company towards the wellbeing and development of the community, society and nation.

3. Scope & Activities: -

The CSR projects and programs to be undertaken by the Company shall include the activities falling within the purview of Schedule VII of the Act as amended from time to time. Any modifications in the statutory provisions governing the said activities shall be deemed to include such activities as permissible under law at that point in time.

(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 especially 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 buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts.

(vi) Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows].

(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 & relief and welfare of the schedule caste, 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; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organization (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).]

(x) rural development projects

(xi) slum area development.

(xii) disaster management, including relief, rehabilitation, and reconstruction activities.

(xiii) any other activities that may be permitted under the Act as amended from time-to-time”.

Definition:- '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.

All the CSR activities, which are funded from the CSR budget, shall exclude those undertaken in pursuance of normal course of business and other activities as specified in the Act.

4. CSR Monitoring Mechanism: -

The Company believes in effective CSR implementation by having a robust monitoring mechanism as follows:

- **Mr. Mani Mamallan** - Chairman & Managing Director; shall act as the **CSR Monitoring Officer** as designated by the Board of Directors in their meeting held on 26th November 2021, and shall monitor the functions of the Internal CSR Committee.
- **The Internal CSR Committee** shall consist of representatives from various departments of the Company and will be responsible for the overall supervision and monitoring of the CSR projects and submission of the necessary reports to the Board CSR Committee.
- **The Board CSR Committee**, as referred to in section 135 of the Act, shall be responsible to monitor the functions of the Internal CSR Committee. It shall review all the CSR proposals, budget, reports submitted by the Internal CSR Committee and recommend the same to the Board of Directors for their consideration and approvals.

5. Board CSR Committee: -

The Board of Directors shall constitute the Board CSR Committee in accordance with the provisions of Section 135 of the Act and the Articles of Association of the Company. The composition of the CSR Committee shall be disclosed in the Board report of the Company.

I. Duties & Responsibilities

The CSR Committee will periodically review, monitor, and update the Board about ongoing and any new CSR projects or programs, and the Board will ensure that the activities are included in this Policy are undertaken as per this Policy and in compliance with the CSR Rules:

- To Review the CSR applicability to the Company
- To periodically review the CSR Policy and recommend the same to the Board of Directors for their consideration.
- To review the CSR Budget and CSR projects/ programs identified by the Internal CSR Committee and recommend the same to the Board
- To monitor the “Annual Action Plan” as approved by the Board of Directors.
- To ensure that every financial year funds committed by the Company for CSR Projects / Programs are utilized effectively, and regularly monitored
- In the case of unspent CSR, to ensure the adherence to the provisions of the Section 135(5) & (6) of the Act. Any such deviation shall be disclosed in the Board Report (Provisions separately captured under “Unspent CSR”)

- Ensuring annual reporting of CSR Policy to the Ministry of Corporate Affairs, Government of India, as per the prescribed format, if required.
- All the other duties and responsibilities as may be prescribed under the Act, time to time.
- To carry out any other function as mandated by the Board from time to time

II. Meetings of Board CSR Committee

- The Board CSR Committee shall hold at least two meetings in a year or at intervals as may be mutually agreed by the Chairman of the CSR Committee.
- The quorum for the meetings shall be as per the provisions of the Companies Act 2013 and the Articles of Association of the Company.
- Meetings shall be held at the registered office of the Company or at any other place as may be agreed by the Members of the Company.
- The CSR Monitoring officer of the Company shall be entitled to attend the CSR Committee Meeting and the Company Secretary shall be responsible to act as the Secretary of the said meetings. The Company shall designate an officer who shall provide relevant information both financial and non-financial to enable the Committee to recommend the amount of CSR Expenditure to the Board of Directors.
- The Board CSR Committee shall maintain proper minutes of all its meetings.

6. Annual Action Plan: -

The Action Plan for undertaking CSR activities shall be formulated annually, List of proposed CSR projects or programs, the manner of execution of such projects or programs, the modalities of utilization of funds and implementation schedules for the projects or programs, monitoring and reporting mechanism for the projects or programs; and details of need and impact assessment, if any, for the projects undertaken by the Company.

The Board will approve the Annual Action Plan based on recommendations of the Board CSR Committee and they may alter such plan at any time during the financial year, as may be deemed fit.

7. CSR Budget & Expenditure: -

The Company shall earmark at least 2% of average net profits earned during three immediately preceding financial years for CSR Budget, as per the provisions of the Act. The Board may allocate more funds/amount than the amount prescribed under the Act, for the CSR activities for any financial year.

In case the Company does not fall under provisions of Section 135(5) with respect to CSR expenditure (i.e., inadequate funds), the Company may not allocate the CSR budget in such a financial year.

The Board CSR Committee and Board of Directors shall ensure that the administrative overheads incurred during the implementation of CSR activities shall not exceed five percent (5%) of total CSR expenditure of the Company for the financial year.

Any surplus arising out of the projects/programs which are funded from the CSR budget, shall not form part of the business profit and shall be dealt with as per the provisions of the Act and applicable rules.

Any excess amount spent on CSR activities during a financial year may be set off against the requirement to spend as per the Act and CSR Rules up to immediate succeeding three financial years subject to compliance with the conditions provided under the Act and applicable rules.

Any capital asset created / acquired through CSR funds shall be handed over to the entity as specified in the CSR Rules

8. Implementation of CSR activities: -

CSR activities will be undertaken either by the Company itself or through the qualifying entities and any entity will be required to submit CSR registration number allocated by Registrar of Companies before implementing any activity and other mandatory registration confirmations.

- (a) a company established under section 8 of the Act, or a registered public trust or a registered society exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10, or registered under section 12A and 80G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
- (b) 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
- (c) any entity established under an Act of Parliament or a State legislature; or
- (d) a company established under section 8 of the Act, or a registered public trust or a registered society exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or 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 shall ensure to carry out the CSR Activities in and around the local areas where the Company operates as well as across the country as per the approved CSR Annual Action Plan .

The Company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR. The Company may collaborate with other companies for undertaking CSR activities.

9. Transfer of unspent CSR amount: -

The Company fails to spend the CSR budget of a year, the reasons for not spending the amount will be specified in the Directors' Report and the unspent amount shall be dealt with as per the provisions of Section 135 (5) & 135 (6) of the Act.

10. CSR Reporting: -

Pursuant to Rule 4(5) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and as amended from time to time, Chief Financial Officer (CFO) or the person responsible for financial management shall certify to the Board to the effect that the funds disbursed by the Board for CSR implementation have been utilized for the purposes, on annual basis.

The Company shall prepare an Annual Report containing all the particulars of activities conducted during every financial year in the format as prescribed under the Act which shall be annexed to the Board's Report of the Company.

In case of Average CSR Obligation of INR 10 Crore or more, in the 3 immediately preceding financial years, the Company shall undertake the impact assessment, through an independent agency as prescribed under the Act.

11. Display of CSR activities on its website: -

The Company shall mandatorily disclose the CSR Policy, Composition of CSR Committee, and Annual Action Plan approved by the Board on its website.

12. Review of the Policy: -

The Board CSR Committee shall review the CSR Policy periodically and may recommend alterations or amendments to the Board, as it deems fit to comply with the statutory obligation of the Company, subject to compliance with applicable law.

(Revised Policy Approved by the Board of Directors on 29th January 2024)