

MPOne Limited

CORPORATE SOCIAL RESPONSIBILITY POLICY

VERSION 1.0

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1. Purpose

The purpose of this document is to outline the policies and procedures for Corporate Social Responsibility ("**CSR**") for MPOnline Limited (referred to as "**MPOnline**").

2. Background

- i. The Companies Act 2013 (the Act) has introduced several provisions which would change the way Indian Corporates carry out CSR activities.
- ii. Sec 135 of Companies Act 2013 mandates companies having (i) net worth of Rs.500 Cr. or more or (ii) turnover of Rs.1,000 Cr. or more or (iii) net profit of Rs.5 Cr. or more, to spend towards CSR of at least two per cent of the average net profits (PBT subject to few adjustments u/s 198 of the Act) made during the three immediately preceding years. In computing such profit, the wholly owned and partly owned subsidiaries as well the overseas branches shall not be considered.
- iii. Administrative overheads under u/s 135 of Companies Act 2013, is limited to 5% of total CSR expenditure of the Company in one financial year.
- iv. As per clause 4(4) of the Companies (CSR policy) Rules, 2014 (the Rules), CSR projects undertaken in India only shall be regarded as CSR for the purpose of the Act.
- v. One-off events such as marathons/ awards/ charitable contributions/ advertisement/ sponsorships of TV programmes etc. shall not be treated as CSR for the purpose of this policy.

3. Structure

- i. The said section 135 of the Act mandates formation of a CSR Committee of the Board consisting of 3 or more directors, out of which at least one will be an independent director. In the same lines, in MPOnline, a CSR Committee is formed.

- ii. The CSR Committee will be responsible for (a) recommending to the Board a CSR policy, indicating the activities to be undertaken by the company, (b) recommending the expenditure to be incurred on the CSR activities, (c) disclosing the content of the policy, including projects undertaken, in its report and the company's web-site, (d) ensuring that the activities included in CSR policy are undertaken by the company and (e) ensuring that the company spends each financial year, at least the statutory 2% of the profits.
- iii. The Board shall be responsible for (a) approving the CSR policy and (b) monitoring implementation of the policy

4. CSR Activities

- i. The CSR shall be carried out by MPOnline as per its CSR policy within the broad scope laid down in Schedule VII to the Act (vide Annexure I attached), as projects/programmes/activities, excluding activities in its normal course of business.
- ii. CSR activities shall be carried out by MPOnline through (a) its own internal CSR team, (b) a company formed by TCS under section 8 of the Act, and (c) Tata group or third party registered trust/society/company formed under section 8, having track record of more than three years.
- iii. In case of (ii)(c) above, MPOnline shall specify the project/programme and the modalities of utilisation of funds. In addition, MPOnline shall specify a suitable monitoring and reporting mechanism.

5. Disclosure and Reporting

As per clause 9 of the Rules, CSR Policy of the company and information on CSR expenditure, in the specified format (vide Annexure II) will be required to

be disclosed (a) in the Board's report and (b) in the web-site of the company.

6. Operational Process

- i. Budgetary control: As per the CSR policy, a budget for the approved projects and the projects in the pipeline shall be placed before the CSR Committee for approval. On a quarterly basis, the actual expenditure vis-à-vis the budget shall also be placed before the CSR Committee for review.
- ii. Proposal for new CSR activity, as and when received, shall be evaluated in terms of propriety and social cost benefit in the backdrop of the CSR policy of MPOnline. The evaluation may involve inspection of documents, on-site visit, gathering of past data on the project partner, profile of beneficiaries etc. It would also involve evaluation of tax concessions accruing to MPOnline arising out of the proposed CSR project. If the proposal clears the evaluation process, the same shall be put up to the CSR Committee for approval.
- iii. As stated above, report on utilisation of funds allocated for projects shall be prepared and put up to the CSR Committee at quarterly intervals. This may involve physical on ground inspection in selected cases.

7. MPOnline' approach to CSR

The guiding principles of MPOnline CSR programmes are "sustainability" and "impact through empowerment" These guiding principles shall run through all the approved CSR projects, within the broad framework of Schedule VII of the Act.

Annexure I

List of activities as covered in Schedule VII are as follows:

- (i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and 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 & 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;
- (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 arts and handicrafts;
- (vi) Measures for the benefit of armed forces veterans, war widows and their dependents;
- (vii) Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- (viii) Contribution to the Prime Minister's National 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 Scheduled Tribes, other backward classes, minorities and women;

- (ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- (x) Rural development projects.

Annexure II

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1. A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.
2. The Composition of the CSR Committee.
3. Average net profit of the company for last three financial years
4. Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)
5. Details of CSR spent during the financial year.
 - (a) Total amount to be spent for the financial year;
 - (b) Amount unspent, if any;
 - (c) Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Srl No	CSR project or activity identified	Sector in which the Project is covered	Projects or programmes (1)Local area or other (2)Specify the State and district where projects or programmes was undertaken.	Amount outlay (budget) project or programmes wise	Amount spent on the projects or programmes Sub-heads: (1)Direct expenditure on projects or programmes (2) Overheads	Cumulative Expenditure up to the reporting period	Amount Spent : Direct or through implementing agency
1							
Tot							

*Give details of implementing agency:

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.