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Corporate Social Responsibility Policy

Version: 3.0

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. Introduction

Pursuant to Section 135 of the Companies Act, 2013 ('Act'), and Companies (Corporate Social Responsibility Policy) Rules, 2014 ('Rules') every Company having net worth of Rs. 500 crore or more or turnover of Rs. 1,000 crore or more or net profit of Rs. 5 crore or more shall constitute Corporate Social Responsibility Committee ('CSR Committee') and the CSR Committee shall formulate and recommend a Corporate Social Responsibility Policy ('CSR Policy').

The Company's focus has always been to contribute to the sustainable development of the society and environment.

This policy is applicable to the Company effective October 1, 2014.

2. Objective

OnMobile CSR Policy intends to:

- Strive for economic development that positively impacts the society at large with a minimal resource footprint.
- Embrace responsibility for the Company's actions and encourage a positive impact through its activities on hunger, poverty, malnutrition, environment, communities, stakeholders and the society.

3. Focus Areas

In accordance with the requirements under the Companies Act, 2013, the CSR Committee shall decide the focus areas of the Company's CSR policy from list of activities below as given in Schedule VII of the Companies Act, 2013:

- i. 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;
- 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 centres 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 arts 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 recognised 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 Scheduled 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; 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 Organisation (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.

4. Location of CSR activities

The CSR Committee will decide on the locations for CSR activities.

5. Charter of the 'Corporate Social Responsibility Committee'

5.1 Composition

The CSR Committee shall consist of three or more directors out of which at least one director shall be an independent director.

5.2 Meetings

The Committee will meet periodically as necessary to act upon any matter within its jurisdiction. All Committee members are expected to attend each meeting, in person or via tele or video-conference. A majority of the Committee will comprise a quorum when all Committee members are unable to attend a meeting. The Committee may request that other Board members, or officers or, other employees of the company, or any other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide pertinent information. Periodically, the Committee may meet in executive session separately without management and with its chosen independent consultants. Minutes will be kept of each meeting of the Committee.

5.3 Authority

The Committee will have the authority to conduct or authorize investigations into any matters within its scope of responsibility. It is empowered to:

1. Retain advisers, as deemed necessary and appropriate, to discharge the Committees duties and obligations.

2. Approve appropriate compensation at the company's expense for any advisors engaged by the Committee for the purpose of carrying out its duties, and ordinary administrative expense of the Committee.

5.4 Terms of Reference

1. To formulate and recommend to the Board, a 'Corporate Social Responsibility Policy' ('CSR Policy') which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013.
2. To recommend the amount of expenditure to be incurred on the activities referred in the CSR Policy.
3. To monitor the CSR Policy of the company from time to time and recommend for the amendments in the Policy, as and when required
4. To formulate, recommend to the Board a CSR Action Plan in pursuance of CSR Policy
5. To create transparent monitoring mechanisms for implementation of CSR initiatives
6. To periodically update the Board on the progress being made in the planned activities
7. To offer advice and counsel to management regarding the effectiveness of the Company's corporate social responsibility programs and corporate citizenship.
8. To undertake such additional activities as the Committee may from time to time determine or as may otherwise be required by law, the Company's articles of association, or directive of the Board.
9. To make regular reports to the Board and will recommend any proposed actions to the Board for approval as necessary. The Committee will review and reassess the adequacy of these terms of reference at least annually and recommend any proposed changes to the Board for approval.

6. Funding & Allocation

For achieving the CSR objectives through implementation of meaningful and sustainable CSR Projects, the CSR Committee will allocate for its Annual CSR Budget, 2% of the average net profits of the Company made during the three immediately preceding financial years, calculated in accordance with relevant Sections of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

7. Action plan

The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following:

- (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- (b) the manner of execution of such projects or programmes;
- (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- (d) monitoring and reporting mechanism for the projects or programmes; and
- (e) details of need and impact assessment, if any, for the projects undertaken by the company;

However, the Board of Directors may alter such plan at any time during the financial year, as per

the recommendation of its CSR Committee, based on the reasonable justification to that effect.

8. Projects, Programs and Activities

The CSR Committee shall identify & evaluate programs, projects and activities in line with this Policy. The identification of the programs, projects and activities shall be based on internal assessment, market research of CSR activities of other companies, Employee survey to fathom the causes that motivate them, Re-evaluation of NGOs or other agencies proposal to make it more impactful towards hearing impaired population, while lowering asset / admin expenses, evaluation of sustainability of NGOs or other agencies programs

9. Implementation

OnMobile shall continue to undertake its CSR activities directly or through a registered trusts or a registered society and such other NGOs or agencies that meet the criteria prescribed under law.

The projects, programs or activities identified by the CSR Committee and approved by the Board shall be implemented in a project mode which will entail charting the stages of execution through planned processes, measurable targets, mobilization and allocation of budgets and prescribed timelines. It also involves assigning of responsibility and accountability. Suitable documents / agreements shall be entered into with a registered trusts or a registered society and such other NGOs or agencies for the purposes of implementation of the projects. The conditions of grant of amounts for all CSR activities, projects and programs and the break-up of the allocations shall be set out and evaluated from time to time.

OnMobile may also collaborate with other companies for undertaking CSR projects as may be suggested by the CSR Committee if details of such projects are in a position to be reported separately.

In case of ongoing project, OnMobile shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall make modifications, if any, for smooth implementation of the project within the overall permissible time period.

Chief Financial Officer shall certify to the Board of Directors that the funds so disbursed have been utilized for the purposes and in the manner as approved by it.

10. Monitoring Process

The CSR Committee will monitor the CSR programs / projects /activities to ensure that they are being carried out in compliance with this Policy, the Companies Act, 2013 / the Rules made thereunder and in accordance with the approved budget.

Funds spent for CSR activities shall be verified against utilization of funds as per approved work-plans and timelines. Verification may be done through review of documents, field visits and active feedback mechanism

To ensure effective implementation of the CSR projects/ programs/ activities undertaken in terms of the Policy, the progress of each such project/ program/ activity will be reviewed by the CSR Committee periodically.

Administrative overheads shall not exceed 5% of total CSR expenditure of the Company for the financial year.

Any surplus arising out of CSR projects/programs/ activities shall not form part of the business profits and shall be invested into the CSR program/project or in accordance with the Act.

Any excess amount spent on CSR activities shall be set-off within immediate 3 succeeding financial years subject to the conditions that:

- a) excess set off shall not include the surplus arising out of the CSR activities
- b) Board to pass a resolution to that effect

11. Impact Assessment

Periodic feedback from the agencies associated with OnMobile for CSR activities and from respective beneficiaries shall be undertaken. Field visits may be conducted at periodic intervals to ensure effective implementation.

Whenever OnMobile has average CSR obligation of Rs. 10 Crore or more in the three immediately preceding financial years, OnMobile shall undertake impact assessment of its CSR projects having outlays of Rs. 1 Crore or more, and which have been completed not less than one year before undertaking the impact study, through an independent agency. Reports shall be prepared pursuant to such evaluation/assessment. The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

Impact assessment expenditure towards Corporate Social Responsibility for that financial year, shall not exceed 2% of the total CSR expenditure for that financial year or Rs. 50 lakhs, whichever is higher.

12. Reporting:

OnMobile shall ensure that necessary details of its CSR initiatives are mentioned in the Board Report of the relevant financial year and on the Company's website in the format as prescribed in the Companies Act and the Rules made thereunder.

13. Amendment in CSR Policy:

Any modification/amendment in the CSR Policy shall be carried out by the "CSR Committee" with the approval of the Board of Directors of the Company.

This Policy will be communicated to all concerned persons of the Company and shall be placed on the website of the Company at www.onmobile.com