



FINO PAYTECH LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY (“CSR POLICY”)

As per the Section 135 of the Companies Act, 2013 (“**Act**”), Companies (Corporate Social Responsibility) Rules, 2014 and Schedule VII which prescribes mandatory provisions for Companies to fulfill their Corporate Social Responsibility (“**CSR**”).

This Corporate Social Responsibility Policy is being formulated in compliance with the requirement of Section 135 and Schedule VII of the Companies Act, 2013, as amended from time to time.

1. Vision and Commitment:

Social and environmental responsibility has always been at the forefront of Fino PayTech Limited’s (“Company” or “FPL”) operating philosophy. The business model of serving the rural masses in the past years itself is a well- established example of CSR. As a responsible and aware corporate citizen, we try to contribute towards socio - economic causes of Indian citizens.

With a vision to actively contribute to the social and environmental development of the society in which we operate and thereby to create value for the nation. FPL strongly believes in taking sustainable measures towards CSR.

Company’s diverse projects and operations touch lives of people in many ways. It creates value by helping in overall and holistic development of communities across multiple geographies. Through its various initiatives, Company endeavors to play an important role by serving the society.

This CSR Policy shall apply to all corporate social responsibility initiatives and activities undertaken by the Company for the benefit of different segments of the society and for enhancement of the fields like education, health care, environment, etc. more particularly described below.

2. CSR Committee:

- i. The CSR Committee shall be formed as per the provisions of Section 135 of the Companies Act, 2013 as may be applicable from time to time and the Committee shall be responsible for the implementation / monitoring and review of this policy and various projects, programmes or activities undertaken under the policy. The Board shall be empowered to modify the composition of CSR Committee, provided that there shall always be at least one Independent Director as part of CSR Committee or such other composition as may be prescribed from time to time.
- ii. The Committee will report to the Board of Directors of the Company from time to time.



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3. Roles and Responsibilities of CSR Committee:

CSR Committee is governing body that shall define the CSR activities for the Company and approve/ review implement CSR policy.

The functions of CSR committee shall be as under:

- i. Formulate and recommend to the Board a CSR policy and Annual Action Plan which shall indicate activities/projects to be undertaken by the Company in areas or subject, as stated in Annexure A, in compliance with the Section 135 of the Companies Act, 2013 and Schedule VII thereof and the Companies (Corporate Social Responsibility Policy) Rules, 2014 from time to time.
- ii. Recommend to the Board from time to time, and seek its approval for expenditure to be incurred, from the Board of Directors of the Company.
- iii. Ensure that the surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.
- iv. Monitor the CSR Policy of the Company from time to time.
- v. Recommend to the Board, modification to the CSR Policy as and when required.
- vi. The Committee members shall conduct its meeting, as and when it may feel necessary, to discuss on overall CSR activities.

4. Roles and Responsibilities of the Board:

The role and responsibility of the Board shall include:

- i. Approval of CSR policy after taking into account the recommendations of the CSR Committee.
- ii. Board may approve the Annual Action Plan with such further conditions as it may deem fit and further alter the Annual Action Plan at any time during the financial year, as per the recommendation of the CSR Committee, based on the reasonable justification to that effect.
- iii. Ensure that the contents of the CSR policy in Board's report and are displayed on website of the Company in the manner prescribed under the applicable statute.
- iv. Ensure that the CSR activities are undertaken and executed by the Company as per this CSR policy and the applicable laws.
- v. Report in Board's report the CSR disclosures as specified in the Companies Act, 2013 as may be applicable from time to time.
- vi. Specify in the Board's report, the reasons, if the required amount is not fully spent in CSR activities.

5. Funding, Selection, Implementation and Monitoring:

A. Budget allocation and funding obligations:

- i) The Board shall ensure that the Company spends, in every financial year, at least two percent of the average net profits of the Company made during the three immediately preceding financial years in pursuance of its Policy. The net profits and the average Net



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Profits shall be calculated in accordance with the provisions of Section 198 of the Act and the rules framed there under from time to time

- ii) The total budget for the CSR projects will be recommended by the CSR Committee and approved by the Board as per the applicable rules, regulations of the Act as may be amended from time to time.
- iii) In order to compute whether the Company has under spent or over-spent, the Company shall consider the following:
 - a. Project Cost – it shall include designing, implementation, monitoring and evaluation cost incurred directly or indirectly on the project.
 - b. Administrative Overheads – to ensure that such expenses shall not exceed 5% of the total CSR expenditure of the Company for the financial year. Further, these expenses would not include expenses incurred by the Company towards designing, implementation, monitoring and evaluation. However, expenses which are attributed to the project implementation shall be included in project cost only.
- iv) The surplus arising out of the CSR activities will not be considered as a part of the business profits of the Company and shall be ploughed back into the same project, or shall be transferred to the Unspent CSR Account in accordance with Section 135 of the Act and it shall be spent in pursuance of this Policy and Annual Action Plan of the Company, or the Company will transfer such surplus amount to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.
- v) Any unspent amount, other than unspent amount relating to an ongoing project, will be transferred to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year. Further, unspent CSR funds of ongoing projects will be transferred within a period of 30 days from the end of the financial year to a special account opened by the company in a scheduled bank called the “Unspent Corporate Social Responsibility Account”. Such amount will be spent by the Company towards CSR within a period of 3 financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII of the Act, within a period of 30 days from the date of completion of the third financial year.
- vi) In case the Company spends an amount in excess of the requirements of its CSR obligations in a financial year, such excess amount will be set-off against the requirement of the CSR spending under Section 135(5) of the Act upto the immediate succeeding 3 (three) financial years subject to the fulfilment of conditions as specified in the Rules.

B. CSR Model:

The Company proposes to carry CSR activities directly and/or partnership with section 8 company, registered trust, registered society, government bodies and community representatives for undertaking its CSR activities as permitted under the Companies Act,



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2013 and rules made thereunder. Company's CSR monies will be used for programs which falls under the purview of the activities approved in Schedule VII of the Companies Act.

C. Implementation & Monitoring:

- i) The CSR Committee of the Company would identify the focus areas, from amongst the themes specified in Schedule VII of the Act, for initiatives to be undertaken by the Company as CSR. While the major CSR activities will be undertaken in focus areas identified by the CSR Committee, the Company may undertake activities that qualify as CSR under Schedule VII of the Companies Act, 2013 and rules relating to CSR, as amended from time to time, based on urgency and need arising out of circumstances such as natural disasters and emergencies.
- ii) Selection of CSR projects or programmes would depend on the areas of focus recommended by the CSR Committee and approved by the Board of Directors, and in activities that are in compliance with the areas or subject as specified in Schedule VII of the Act;
- iii) Impact Assessment – In the event of average CSR obligation of Rs. 10 crores or more in the three immediately preceding financial years, the Company shall ensure that impact assessment through an independent agency is carried out for CSR projects having an outlay of Rs. 1 crore or more and which have been completed not less than 1 (one) year before undertaking the impact study. Expenditure incurred for such assessment shall not exceed 2% of the total CSR expenditure for the financial year or 50 lakh rupees, whichever is higher.

6. Disclosure:

The Company shall disclose the CSR Policy and the projects approved by the Board of Directors for the financial year on its website.

The Company shall include the report on CSR Activities as part of the Directors' Report, the information as per regulatory reporting requirements and any other statutory requirements. The information shall also be displayed on the Company's website.

7. General:

Words and expressions used but not defined in this CSR Policy shall have the same meaning assigned to them in the Companies Act, 2013 and Rules made thereunder or any amendment thereto. This CSR Policy shall be subject to such clarifications and FAQs as may be issued by MCA from time to time.



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8. Policy Effective Date:

The Company Secretary will be the owner of this policy which will come into effect upon approval by the Board.

Any or all provisions of the CSR Policy would be subject to revision/ amendment in accordance with the applicable notifications/circulars/guidelines as may be issued in Companies Act, 2013 and rules made thereunder, from time to time.

Any subsequent amendment / modification in the CSR Rules made by the MCA, under the Act and / or any other laws in this regard shall automatically apply to this Policy.

In the event of any conflict between the provisions of this Policy and of the Act or any other statutory enactments, rules, the provisions of such Act or statutory enactments, rules shall prevail over and automatically be applicable to the Company and the relevant provisions of the Policy would be amended/modified in due course to make it consistent with the law.

This amended CSR Policy is adopted at the Meeting of Board of Directors held on July 25, 2024.

Annexure A
Activities related to CSR
Schedule VII
In relevance with section 135

Activities which may be considered by Company for undertaking Corporate Social Responsibility Activities as mentioned in Schedule VII of the Companies Act 2013 (as amended from time to time) relating to :—

- (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 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 setup 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) measure for the benefit of armed force 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 Olympics 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 Schedule 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



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