



Freecharge Payment Technologies Pvt. Ltd.

CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR POLICY)

Version	Author	Particular	Reviewer	Approver	Date
1.0	Samarth Govila	New Policy	CSR Committee	Board of Directors	15.01.2021
1.2	Samarth Govila	Revision	CSR Committee	Board of Directors	19.07.2021
1.3	Rashmeet Kaur Samarth Govila	Revision	CSR Committee	Board of Directors	17.04.2023
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1.4	Rashmeet Kaur Samarth Govila	Annual Review	CSR Committee	Board of Directors	16.04.2026

Introduction

- 1.1 Freecharge Payment Technologies Limited ('Freecharge'/^Company') recognizes the importance of good corporate governance and corporate social responsibility in promoting and strengthening the trust of its shareholders and other stakeholders.
- 1.2 The Company's CSR Policy has been framed in accordance with Section 135 of the Companies Act 2013 (the Act), the Rules framed thereunder and Schedule VII of the Act.
- 1.3 The Policy shall apply to all CSR programs/activities which are undertaken/sponsored by the Company or executed through Axis Bank Foundation (ABF) or through any other Trust/Society or implementation partner or NGO or by or through any Schedule VII fund(s) set up by the Government.

1. CSR Purpose Statement

- 2.1 The primary purpose of the Company's CSR philosophy is to make a meaningful and measurable impact in the lives of economically, physically and socially challenged communities of the country by supporting initiatives aimed at creating conditions suitable for sustainable livelihood in these communities. The Company shall also promote initiatives that preserve, restore and enhance environment, ecological balance, and natural resources, and improve sanitation and hygiene.

2. CSR Focus Area

- 3.1 The broad CSR Projects, which may be undertaken/ supported by the Company as part of its CSR Focus Areas and illustrative CSR Projects/activities which may be undertaken/ supported by the Company as part of the CSR Focus areas, are given below:

A. Poverty alleviation and measures to reduce inequalities

- a) Sustainable Livelihoods: Creating sustainable livelihoods is an overarching theme that is pursued to contribute to poverty alleviation and integrated development, especially in some of the poorest districts of the country. Promoting women empowerment through such activities by providing them skills and livelihood assets which contribute to improvement in their socio-economic status.
- b) Financial Literacy and inclusion: Promoting the cause of Financial Literacy & Inclusion to reduce inequalities faced by socially and economically backward sections of society. These may be undertaken singly and/or in conjunction with the Government's initiatives and schemes. Creating awareness on personal financial management aspects through financial literacy initiatives.
- c) Access to finance and entrepreneurship development: Support creation of sustainable income sources through micro-finance and micro-enterprise development and strengthen mechanisms for alternative livelihood.

B. Education and Skill Development

- a) Skill development through vocational education and training: Provide skilling, re-skilling and multi-skilling support to youth including the differently-abled, for gainful employment. The skilling programs may also include life skills coaching and career counseling support.
- b) Consumer education and public awareness: Promote financial education and awareness amongst consumers at large and students. Disseminate knowledge on managing finances etc., which may include aspects of safe banking practices, tax planning, saving and investing and other relevant financial knowledge. Undertake public awareness initiatives on public interest topics such as pollution, road and personal safety, environmental sustainability, health, sanitation & hygiene etc.

- c) Skill and talent program for children and students :Undertake/support programs that are designed to hone the skills and talent of children and students through talent competitions, scholarships and learning programs.
 - d) Entrepreneurial skills development : Engage with start-ups, students and technology incubators in academic institutions to promote innovation and development of entrepreneurial skills.
- C. Environmental sustainability and Rural Development**
- a) Natural Resources management, soil and water conservation: : Support initiatives undertaken by local/statutory authorities for effective management of natural resources leading to more productive outcome for agriculture and associated livelihood. Support rural and village communities through non-farm based livelihood development.
 - b) Renewable energy and emission reduction : Ensure environmental sustainability, and ecological balance through pursuance of projects that conserve natural resources and enhance sustainability of environment such as renewable energy and emissions reduction projects. Create carbon sinks through afforestation and plantation programs.
 - c) Water harvesting: Support initiatives to conserve water through water harvesting, construction of water sheds, bunkers and related infrastructure.
- D. Sanitation and Healthcare**
- a) Sanitation and drinking water: Work towards improving/providing sanitation and drinking water facilities for communities/schools and create awareness on health and hygiene topics to bring about a behavioral change.
 - b) Healthcare:** : Support preventive and curative healthcare initiatives, including conducting health screening and awareness camps.
- E. MSME Sector Growth:** Provide support to MSME sector through dissemination of knowledge and training leading to enhancement of their capabilities.
- F. Humanitarian relief :** Support relief measures during natural and other calamities, including but not limited to contribution to the Prime Minister’s National Relief Fund or to the National Disaster Management Authority or any other local authority, or NGO(s) engaged in such relief measures.
- G. Armed Forces and Paramilitary Forces Veterans and War Widows:** Support measures for the benefit of the Armed Forces Veterans, War Widows and their dependents and Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) Veterans and their dependents including widows as recipients.
- H. Capacity Building of Personnel and NGO Partners:** Build the capabilities of the Company’s CSR Team and Implementing Agencies through training, conferences and experience sharing programs.

In addition to focus areas specified in the CSR Policy, the CSR Committee may consider and approve such other program areas which are included under Schedule VII of the Companies Act, 2013 as may be decided by the CSR Committee or recommended by the Company from time to time.

3. CSR Budget and Expenditure

- 3.1 The CSR Committee will abide by the provisions relating to annual expenditure on CSR activities as laid down in Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.

- 3.2 The Committee shall ensure that in each financial year, the Company spends at least 2 per cent of the average net profit made during the three immediately preceding financial years.
- 3.3 The computation of average net profits will be carried out in accordance with the provisions of Section 198 of the Companies Act, 2013.
- 3.4 The Administrative Overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.
- 3.5 The unspent amount of from the 2 per cent of the average net profit unless it relates to any ongoing project shall be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- 3.6 The surplus arising, if any, out of the CSR projects or programs or activities shall not form part of the business profit of a 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 spent in pursuance of this Policy and annual action plan of the Company; or the Company shall 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.
- 3.7 Where the Company spends an amount in excess of requirement provided under sub-section (5) of Act such excess amount may be set off against the requirement to spend up to immediate succeeding three financial years subject to conditions that:
 - (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities
 - (ii) the Board of the company shall pass a resolution to that effect.
- 3.8 The CSR amount may be spent by the Company for creation or acquisition of a capital asset, which shall be held by –
 - (a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number in accordance with the Rules; or
 - (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
 - (c) a Public Authority:
- 3.9 The CSR Committee will approve the expenditure on CSR activities within monetary limits sanctioned by the Board for such activities.
- 3.10 In the event the Company undertakes impact assessment in accordance with the Act and the Rules, it may book the expenditure incurred on such impact assessment towards CSR for that financial year, which shall not exceed two percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is higher.

4. Execution of CSR Activities

- 4.1 All CSR programs/ activities will be executed by the Company itself or through Axis Bank Foundation or through any other Trust or agencies and entities as it deems suitable. The Company may also make contributions to any fund set up by the Government.
- 4.2 The CSR Committee shall provide guidance and recommendation on the allocation of the CSR fund among various CSR programs/projects/activities.
- 4.3 However, in accordance with Section 135 of the Act and the Rules, the following activities would not qualify as CSR activities:
 - (i) activities benefitting 'employees' as defined in clause (k) of section 2 of the Code on Wages, 2019
 - (ii) activities undertaken in pursuance of normal course of business;
 - (iii) Contribution of any amount directly or indirectly to any political party under section 182 of the Act;
 - (iv) any activity undertaken outside India except for training of Indian sports

- personnel representing any State or Union territory at national level or India at international level;
- (v) activities carried out for fulfilment of any other statutory obligations under any law in force in India; and
 - (vi) activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services.

5. Implementation

- 5.1 CSR activities may be initiated / implemented/ executed by the Company directly; or through-
- 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 approved under 80 G 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 approved under 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
- 5.2 In the event the Company undertakes CSR activities through a third party entity asset out above, the Company shall ensure that such entities have obtained a unique CSR Registration Number in accordance with the Rules, if such CSR project or program is approved and undertaken after 1 April 2021.
- 5.3 The Company may also collaborate with other companies for undertaking CSR projects or programs or activities in such a manner that the CSR committees of the respective companies are in a position to report separately on such projects or programs in accordance with the Act and the Rules.
- 5.4 The Company may engage International Organizations for designing, monitoring and evaluation of the CSR projects or programs as per its CSR policy as well as for capacity building of their own personnel for CSR.
- 5.5 The Board shall 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 the same.
- 5.6 In case of Ongoing Project, the Board 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.

6. CSR Governance Structure

- 6.1 Administration of CSR Policy and Execution of CSR Projects/Program/Activity is done through CSR Committee constituted by the Board.
- 6.2 The Role and Responsibility of Board of Directors are as below:
- a) Approval of the CSR Policy of the Company.
 - b) Disclosure of the Policy in its report
 - c) Disclosure of the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.

- d) 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
- e) Ensuring that it specifies the reasons in its report for not spending the earmarked amount in case the company does not spend such amount during the financial year and unless the unspent amount relates to any Ongoing Project, transfer such unspent amount to a fund specified in Schedule VII to the Act, within a period of six months of the expiry of such financial year.
- f) Ensure that the CSR activities are undertaken and executed by the Company as per the Policy, the Act and other applicable laws, including ensuring compliance with Rule 4 of the Rules.
- g) Making any change(s) in the constitution of the CSR Committee as deemed suitable.
- h) Ensure that the administrative overheads are not more than 5% of the total CSR Expenditure.
- i) Ensure that the funds so disbursed have been utilized for the purposes and in the manner as approved by Board / CSR Committee and the Chief Financial Officer shall certify to the effect

6.3 The Role and Responsibility of CSR Committee Directors are as below:

- a) 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 subject, specified in Schedule VII
- b) recommend the amount of expenditure to be incurred on the CSR projects
- c) monitor the CSR projects undertaken by the Company
- d) review the Corporate Social Responsibility Policy of the company from time to time and recommend changes as may be required;
- e) Any other matter as may be entrusted to the CSR Committee by the Board from time to time

7. CSR ANNUAL ACTION PLAN (CAAP)

The CSR Committee shall formulate and recommend to the Board of Directors, a CAAP in pursuance of this Policy, which shall include focus areas for the year, the list of projects to be undertaken, manner of execution, fund utilization, monitoring mechanism, etc. The Board of Directors may approve the CAAP with such further conditions as it deems fit and further alter CAAP at any time during the financial year, as per the recommendation of the CSR Committee, based on the reasonable justification to that effect.

8. Project Monitoring & Reporting Framework

8.1 The Company will institute a well-defined monitoring and evaluation mechanism to ensure that each CSR project has:

- a) Objectives developed out of societal needs.
- b) Targets, time lines and measurable parameters wherever possible.
- c) A progress monitoring and reporting framework aligned to the requirements of Section 135 of the Companies Act, 2013 and the Rules framed thereunder.

8.2 The Company will establish accounting system to ensure project wise accounting of CSR records.

8.3 Reporting :

- a) The progress of CSR projects and expenditure will be reviewed by the CSR Committee.
- b) The Board's report pertaining to any financial year shall include an annual report on CSR containing particulars specified in Annexure I or Annexure II of the Rules, as applicable.
- c) In the event the Company's average CSR obligation becomes ten crore rupees or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years:

- i. The Company shall undertake an impact assessment, through an independent agency, of its CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study; and
- ii. the impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

10. Validity of CSR Policy

10.1 The Committee may amend the CSR Policy as may be required from time to time.

10.2 The CSR Policy will be reviewed annually.

10.3 Any amendment to the CSR Policy shall be subject to the review and approval of the Board.

10.4 The Policy shall come into effect from the date of approval by the Board of Directors.

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