

TRANSERV LIMITED
(CIN: U93090MH2010PLC211328)

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. Preamble

TRANSERV LIMITED (herein after known as “TRANSERV” or the “Company”) is a company engaged inter alia in issuance and operations of semi-closed prepaid payment instruments under the Reserve Bank of India (Issuance and Operation of Prepaid Payment Instruments) Directions, 2017. Also, Transerv is an authorized payment and settlement system operator under the provisions of the Payment and Settlement Systems Act, 2007 (“Act”). Transerv operates and facilitates a prepaid wallet & Prepaid Card system service as per the provisions of the Act, branded as “Dhani Pay” for its registered users, which enables collection of payments by the merchants from their Customers (defined below), using Dhani Pay as a payment option on their website, mobile website, mobile based software applications and point of sales. We consider Corporate Social Responsibility (‘CSR’) as our business response towards challenges of sustainable development and the manner in which we manage our processes to produce an overall positive social and economic impact on the local communities and society at large. Our CSR commitment is consistent with the Company’s operating policies and is built on the foundation of the belief that contribution of efforts and resources is essential for continued business success in the diverse, expanding and interconnected world.

2. Objective of this Policy

The main objective of the CSR policy is to lay down guidelines for TRANSERV to undertake activities and support projects that focus on holistic development of community and create social, environmental and economic value for society. The Company is committed towards fulfilling the corporate social responsibilities by taking into consideration needs of the local communities, environmental sustainability, ethical issues and people commitment.

This Policy lays down the guidelines and framework within which the Company shall pursue socially useful and impactful programs for welfare and sustainable development of the community.

3.CSR Vision

TRANSERV is committed to conducting business in an ethical, socially responsible and environmentally sustainable manner. It is the Company’s commitment to contribute efforts and resources towards India’s present and future growth. We seek to actively engage in programs that improve the overall quality of life and have a positive social and economic impact on the local communities and society at large.

4. CSR Committee

4.1 In conformance with Section 135 of the Companies Act, 2013 (‘the Act’) and the rules and regulations thereof, Corporate Social Responsibility Committee (‘CSR Committee’) has been constituted by the Board of Directors to oversee the CSR agenda of the Company.

Board of Directors shall be empowered to take decision for making or effecting changes in the constitution of the CSR Committee. The composition of CSR Committee is as under:

Sr. No.	Name of the member	Designation	Position in committee
1	Mr. Akshay Kumar Tiwary	Director	Chairman
2	Mr. Sanjeev Kashyap	Director	Member
3	Mr. Sidharth Vinod Nathani	Director	Member

4.2 Responsibilities of the CSR Committee

- a. To formulate & recommend to the Board of Directors, a CSR Policy indicating the activities to be undertaken as specified in Schedule VII of the Companies Act, 2013 and modify / amend the same as required;
- b. To review and approve annual budgets with respect to CSR programs;
- c. To monitor the CSR Policy, Projects and Programs from time to time.

4.3 Meetings of CSR Committee

The CSR Committee shall meet as and when required. The meeting shall be held either at the registered office of the company or any other place, as may be decided by the members of the CSR Committee.

5. CSR activities

TRANSERV firmly believes that it has a commitment to all its stakeholders - consumers, employees and the community in which it operates. On this background, the Company shall endeavour to undertake CSR initiatives with a long-term view. Initiatives that are sustainable, have long-term benefits and that have business linkage shall be accorded priority.

We endeavour to focus CSR efforts in specific programs, including but not limited to the following areas:

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the Swacch 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;
- 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 any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, and 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 or State Government;
- x. Rural Development Projects; and
- xi. Slum area development;
- xii. Disaster management, including relief, rehabilitation and reconstruction activities;
- xiii. Such other matter as may be prescribed under section 135 of the Companies Act, 2013 read with rules framed thereunder.
- xiv. Activities as suggested vide General Circular No. 21/2014 dated 18.06.2014 issued by Ministry of Corporate Affairs.

EXCLUSIONS:

Following activities shall be excluded from the CSR expenditure of TRANSERV:

- i. Activities which are exclusively for the benefit of employees of the company or their family members;
- ii. Activities undertaken in pursuance of normal course of business of the Company;
- iii. Direct or indirect contribution to political parties;
- iv. Expenditure on item/s not in conformity with Schedule VII of the Companies Act 2013;

Surplus arising out of CSR projects shall not form part of the business profits of Company instead the same will be further used for CSR purposes only.

6. Budget

The CSR Committee endeavors to set up a budget for CSR activities. The CSR budget for any specific financial year shall be equal to or more than 2% of average net profits of the Company made during three preceding financial years. Average net profits shall be computed in accordance with the provisions of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014. The allocation of the overall budget towards specific activities shall be based upon recommendation of CSR Committee members and approved by the Board of Directors.

In case the Company is unable to spend the allocated budget for a specific financial year during that year, the Company shall disclose the reasons for not doing so in the Annual report of its corresponding financial year.

7. Process

TRANSERV's CSR process comprises of four stages i.e. (1) Planning, (2) Implementation, (3) Monitoring & Evaluation and (4) Documentation & Communication.

PLANNING: TRANSERV shall apply a bottom up approach for planning CSR activities. Activities shall be planned based on the needs of society and areas in close vicinity of our operations. The CSR Committee shall collaborate with the Board of Directors to identify and plan relevant projects. The CSR Committee is responsible to recommend projects / programmes / activities within the scope as detailed above, to the Board of Directors of the Company. The Board of Directors is responsible for approval of the projects / programmes / activities that meet the overall CSR objectives of the Company based on above recommendations by the CSR Committee.

IMPLEMENTATION: All CSR activities shall be carried out in project mode with defined objectives, deliverables and timelines. The Company may choose to execute the activities through specialized agencies and other Non-Governmental Organizations or may execute the project on its own with involvement of employee volunteers.

MONITORING & EVALUATION: Effectiveness of programs and projects shall be assessed by the CSR Committee through monitoring mechanism involving external as well as internal evaluation. There shall be regular monitoring of CSR activities at meetings of the CSR Committee. Internal audit may be used for assessment of usage of projects funds and for evaluation of the effectiveness of implementation.

DOCUMENTATION & COMMUNICATION: Communication and feedback is a good basis for measuring effectiveness, and this paves way for new idea generation as well as planning on what next can be done. The Company's engagements shall be disseminated on the Board's reports in the format as specified in Annexure 1 to this CSR policy and in other communication modes. Communication and feedback may also be done in the form of reports by the CSR Committee to the Board of Directors on timely basis.

8. Employee engagement

TRANSERV will actively encourage its employees to volunteer for CSR activities. Activities by employees shall compliment the Company's CSR initiatives.

9. Management Commitment

The Board of Directors and all of employees subscribe to the philosophy of compassionate care and sustainability. We believe and act on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. This is the cornerstone of TRANSERV's CSR policy.

The Corporate Social Responsibility policy confirms to Section 135 and Schedule VII of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014.

10. Effective Date

The CSR Policy shall come into force with immediate effect.

11. Amendments to the CSR Policy

CSR Policy may be updated to align it with the changing requirement or changes in the legal and regulatory framework. Any revision in the Policy shall be approved by the Board of Directors.

12. Reporting framework

- a. TRANSERV will monitor progress on CSR projects and CSR spend and report to the top management and the CSR Committee.
- b. TRANSERV will report CSR performance in its annual report as per the structure and format prescribed in the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014.
- c. The Company will share its CSR performance with its various stakeholders through its annual Sustainability Report, brochures, etc.