

CORPORATE SOCIAL RESPONSIBILITY POLICY

MOPSHOP Distribution Limited (“the **Company**”) believes in the principles social and economic development. The Company is committed to contributing towards the well-being of society. The Company intends to pursue its corporate social responsibility (“**CSR**”) and undertake activities which shall have a lasting impact on the social and economic conditions of people and communities benefitted by such CSR practices adopted by the Company.

OBJECTIVE

The objective of this CSR policy (“**Policy**”) is to lay down guidelines for the Company’s CSR activities for making a positive contribution to society through social and economic welfare programs. This Policy shall apply to all CSR projects/ programmes/ activities undertaken by the Company in India as per Schedule VII of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time. For the purpose of this Policy, any contribution, directly or indirectly to any political party, business done by the Company in its normal course, activities only for the benefit of the employees of the Company and activities undertaken outside India will not be considered as ‘CSR activities’.

For the purpose of meeting the requirements of applicable provisions of the Act, the Company shall undertake CSR activities as mentioned in Schedule VII of the Companies Act, 2013, as amended from time to time

DEFINITIONS

“**Act**” shall mean the Companies Act, 2013 and shall include any modifications, amendments or re-enactment thereof.

“**Administrative Overheads**” means the expenses incurred by the Company for ‘general management and administration’ of Corporate Social Responsibility functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.

“**Agency (or Agencies)**” means any Section 8 Company or a registered trust / society / NGO / institution, performing social services for the benefit of the society and excluding a registered trust/society/ NGO/institution/ Section 8 Company which is formed by the Company or its holding or subsidiary Company/companies.

“**Approved Budget**” shall mean the total budget as approved by the Board of the Company upon the recommendation of the CSR Committee, which is to be utilized for CSR Projects.

“**Average Net Profit**” shall be net profit of the Company calculated in accordance with the provisions of section 198 of the Companies Act, 2013.

“**Board**” means Board of Directors of MOPSHOP Distribution Limited.

“Corporate Social Responsibility Committee” or **“CSR Committee”** or **“Committee”** shall mean a Committee of the Board of Directors of the Company constituted under provisions of Listing Regulations and Companies Act, 2013 read with Rules thereto constituted for the purpose of undertaking CSR Projects in accordance with Applicable Law.

“Company” shall mean MOPSHOP Distribution Limited, wherever it is referred to in the policy.

"CSR Annual Plan" shall mean the annual plan detailing the CSR Projects and expenditure towards the respective projects during any financial year.

"CSR Projects" or **"Projects"** means Corporate Social Responsibility projects / activities / programs/ initiatives, instituted in India, either new or Ongoing Projects, and includes, but is not limited to those undertaken by the Board in pursuance of recommendations of the CSR Committee as per the declared CSR Policy of the Company.

“Minimum Spending Requirement” shall mean the minimum amount to be spent on CSR activities as prescribed under section 135 of the Companies Act 2013, and the rules made thereunder.

“Ongoing Project” means a multi-year project undertaken by the Company in fulfilment of CSR obligations having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as the multi-year project but whose duration has been extended beyond one year by the Board based on reasonable justification.

“CSR Policy” or **“Policy”** shall mean the Policy on Corporate Social Responsibility of the Company framed under the Rules. **“Rules”** shall mean the Companies (Corporate Social Responsibility Policy) Rules, 2014 and shall include any amendments made thereto.

REPORTING, COMPOSITION, QUORUM AND MEETINGS

- i. The Board shall have oversight over CSR Projects and the CSR Committee shall oversee the implementation and compliance of CSR Projects. The CSR Committee shall recommend the Annual Action Plan required under the Rules to the Board for its approval.
- ii. The Committee shall be comprised of three or more directors, out of which atleast one director shall be an Independent Director.
- iii. The CSR Committee shall meet as and when required.
- iv. The Company Secretary shall act as the Secretary to the Committee.

ROLE OF THE CSR COMMITTEE

The CSR Committee shall:

- a) formulate and recommend the CSR Policy to the Board, including the CSR Annual Plan and the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.

- b) recommend the amount of CSR expenditure to be incurred on the earmarked CSR activities which, to the extent applicable, in each financial year, will be at least 2% of the Average Net Profits of the Company made during the three immediately preceding financial years, calculated in accordance with Section 198 of the Companies Act, 2013.
- c) institute a transparent monitoring mechanism for implementation of CSR Projects or programs or activities undertaken by the Company.
- d) monitor the implementation of the CSR Policy from time to time and create mechanisms for tracking performance of identified projects or programs.
- e) submit reports to the Board in respect of the CSR activities undertaken by the Company.
- f) discharge such other functions as the Board may deem fit to promote the corporate social responsibility activities of the Company and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act, as amended.

ROLE OF THE BOARD

1. After taking into account the recommendations made by the CSR Committee, approve the CSR Policy for the Company.
2. Disclose contents of the CSR Policy in its report.
3. Ensure that as and to the extent applicable, in each financial year the Company spends at least 2% of the Average Net Profits of the Company made during the three immediately preceding financial years, calculated in accordance with Section 198 of the Act, in pursuance of its CSR policy.
4. Satisfy itself regarding the utilization of the disbursed CSR fund.

CSR ACTIVITIES FOR IMPLEMENTATION

CSR programs of the Company shall be implemented through following methods:

- a) directly by the Company; or
- b) through an Agency; or
- c) in collaboration with other like-minded organizations/group companies.

CSR MONITORING

The Committee shall monitor the implementation of the CSR projects periodically and if required through field visits as well and inform the Board the details and progress of the implementation.

Monitoring process for CSR Projects shall include the following:

- Evaluation of planned progress V/s actual progress; and

- Actual expenditure V/s expenditure as per the Approved Budget

ANNUAL CSR PLAN

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

- The list of areas or subjects to be considered for CSR for the year, including CSR projects or programmes that are approved to be undertaken in the areas or subjects specified in Schedule VII of the Act;
- The manner of execution of such projects or programmes;
- An annual budget for the CSR activities which shall be in line with the Applicable Law, including details of utilization of funds and implementation schedules for the projects or programmes; and
- Monitoring and reporting mechanism for the projects or programmes. The Administrative Overhead for the CSR Activities shall not exceed 5% of total CSR expenditure of the Company for any Financial Year (or such percentage as prescribed by law from time to time).

ACCOUNTING

Separate bank accounts shall be maintained for each project undertaken by the Company.

SURPLUS FROM CSR ACTIVITIES

Any revenue, returns, and profits, arising from any of the CSR activities, projects or programmes shall not form part of the business profit of the Company and shall be invested into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of the CSR Policy and Annual Action Plan of the Company or transfer such surplus amount to a fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

SET-OFF EXCESS CSR SPENT

Any amount which has been spent in excess of the Minimum Spending Requirement, such excess amounts may be set off against the Minimum Spending Requirement to spend up to immediate succeeding three financial years subject to conditions that:

- The excess amount available for set off shall not include the surplus arising out of CSR activities.
- The Board of the Company shall pass a resolution to this effect.

TRANSFER OF UNSPENT CSR AMOUNT

The unspent CSR amount, if any, shall be transferred by the Company to any fund included in Schedule VII of the Act, (until a fund is specified in Schedule VII of the Act) or as may be specified from time to time.

DISPLAY OF CSR ACTIVITIES

The composition of CSR Committee, CSR Policy and Projects approved by the Board shall be displayed on the Company's website.

IMPACT ASSESSMENT

Impact assessment, if and when mandated, shall be undertaken by an independent agency and such impact assessment report shall be placed before the Board and annexed to the annual report of CSR.

AUTHORITY TO MAKE AMENDMENTS

The Board is, subject to applicable laws, entitled to amend, suspend or rescind this Policy at any time. Any difficulties or ambiguities in the Policy will be resolved by the Board in line with the broad intent of the Policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy.

In the event of any conflict between the provisions of this Policy and of any relevant applicable law, such applicable law in force, from time to time, shall prevail over this Policy.
