

**State Bank Operations Support
Services Private Limited (SBOSS)**

**CORPORATE SOCIAL
RESPONSIBILITY POLICY**

Version 1.0

Date of approval by the Board: 14.08.2024

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1. Corporate Philosophy

Corporate Social Responsibility (CSR) is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. Businesses derive their primary benefits from operating in society and no business can function without caring for societal and community development. The Company, SBOSS, intends to make a positive difference to society and contribute its share towards the social cause of betterment of society and area in which companies operate. The Company also believes in the trusteeship concept. This entails transcending business interests and working towards making a meaningful difference to the society. We understand that as a Corporate Citizen with resources at our command, it is our solemn duty to reach out and support the less fortunate and underprivileged sections of our society. The Company also encourages its staff members to actively follow, understand and contribute to social causes, to remove indisputable social and developmental lacunae and to promote self and community development. In this regard, SBOSS has made this policy which encompasses the Company's philosophy for delineating its responsibility as a Corporate Citizen and lays down the guidelines and mechanism for undertaking socially useful programs for welfare and sustainable development of the community at large and titles as the "Corporate Social Responsibility ("**CSR**") Policy" which is based as per the Companies Act, 2013 ("**the Act**") and rules made there under. This CSR Policy will govern SBOSS CSR activities in India.

2. CSR Applicability

Section 135 of the Act is applicable to every company, including holding or subsidiary, and foreign companies having its branch or project office in India having net worth of INR 500 Crore or more, or a turnover of INR 1000 Crore or more, or a net profit of INR 5 Crore or more during the immediately preceding financial year.

3. Objectives

The Company will address a slew of associated objectives in the conduct of its CSR intervention, as under:

- (i) act as a good corporate citizen by making a sustained positive contribution to the welfare of society at large;
- (ii) identify the gaps and extend need-based contribution for the betterment of the society, particularly its disadvantaged sections.
- (iii) contribute for the sustainable and holistic development of the underserved communities through various programs having multi-dimensional impact;
- (iv) generate community goodwill by making proactive interventions that will create an enduring image of the Company as a socially responsible entity;
- (v) create a social orientation amongst the employees of SBOSS as a conscious organizational policy;
- (vi) make CSR an integral part of SBOSS narrative.

4. Definitions

1. "Act" means the Companies Act, 2013;
2. "Corporate Social Responsibility (CSR)" means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely:-
 - i. activities undertaken in pursuance of normal course of business of the company:
Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that
 - (a) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;
 - (b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;
 - ii. any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
 - iii. contribution of any amount directly or indirectly to any political party under section 182 of the Act;
 - iv. activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019;
 - v. activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
 - vi. activities carried out for fulfillment of any other statutory obligations under any law in force in India;
3. "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act;
4. "CSR Policy" means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;
5. "CSR Expenditure" shall include all expenditure including for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on an item not in conformity or

not in line with activities which fall within the purview of Schedule VII of the Act.

6. "Average Net Profit" shall be calculated in accordance with the provisions of Section 198 of the Act.
7. "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;
8. "Net profit" means the net profit of the company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely: -
 - a) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
 - b) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act
9. "Ongoing Project" means a multi-year project undertaken by the Company in fulfillment of its CSR obligation 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 a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.

5. Responsibilities of the Board Members

SBOSS, being governed by the rules of the Act, our CSR policy & programme is aligned with Section 135 of the Act as amended from time to time.

As such, SBOSS Board shall constitute a CSR Committee consisting of two or more Directors, pursuant to the provisions of Section 135(1) of the Act. The CSR Committee comprises of a minimum of two Board members with the Chairperson as one of the Nominee Directors of the Board. The quorum for the CSR Committee Meeting(s) shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or two members, whichever is higher.

The Board shall additionally oversee the below:

- a. After taking into account the recommendations made by the CSR Committee (as constituted above), approve the CSR Policy for the company and disclose the contents of such Policy in its report and also place it on the company's website;
- b. The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on its website, if any, for public access as notified by the prescribed rules of the Act;
- c. Ensure that the activities included in the CSR Policy are in compliance with the activities in Schedule VII of the Act;

- d. Ensure that the activities as are included in CSR Policy of the company are undertaken by the company; and
- e. Monitor the implementation of the project with reference to the approved timelines and year-wise allocation and make modifications, if any, for the smooth implementation of the project.
- f. If the company fails to spend the said amount, disclose reasons for not spending such amount, in its report under clause (o) of sub-section (3) of Section 134, of the Act and also transfer such unspent amount to the applicable Fund, within the timelines as laid out under the provisions of Section 135(5) and 135(6) of the Act.
- g. 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 to the effect.
- h. The Board shall ensure that the company spends, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years or where the company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years.
- i. The Board shall satisfy itself regarding the utilisation of the disbursed CSR funds;
- j. To approve annual action plan in pursuance of CSR policy as recommended by the CSR Committee.

6. Responsibilities of the CSR Committee

The Corporate Social Responsibility (CSR) Committee as constituted by the SBOSS Board shall formulate and recommend to the Board, an Annual Action Plan in pursuance of its CSR policy, which shall include the following, namely:-

- (a) The broad CSR focus areas or activities that are 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) Determining the manner and classification of projects as ongoing projects and expenditure schedule thereon
- (e) Monitoring and reporting mechanism for the projects or programmes; and
- (f) Details of need and impact assessment, if any, for the projects undertaken by the company:

Provided that Board may alter such plan at any time during the financial year, as per the recommendations of its CSR Committee, based on the reasonable justifications to that effect.

- (g) The Corporate Social Responsibility Committee shall:
- (i) formulate and recommend the CSR policy to the Board;
 - (ii) recommend the amount of expenditure to be incurred on CSR activities;
 - (iii) monitor the CSR policy of the company from time to time; and
 - (iv) formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the items as mentioned in rule 5(2) of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

7. CSR Expenditure and Budget

SBOSS shall ensure that it spends, in every financial year, at least two percent of its average net profits made during the three immediately preceding financial years or where the company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years.

The Board shall ensure that the administrative overheads shall not exceed five percent of the total CSR expenditure of the company for the financial year.

In case of any surplus arising out of CSR projects, the same shall not form part of business profits of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and it should be spent in pursuance of this CSR policy and annual action plan of the Company, or the Company may 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.

In any year, where the Company has spent in excess of its CSR obligation, such excess spending shall be available for set off against the Company's CSR obligations for up to the immediate succeeding three financial years in accordance with applicable law, and the Board shall be competent to pass a resolution in this regard.

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 under sub-rule (2) of rule 4; or
- (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- (c) a public authority.

The CSR Budget for the corresponding financial year will be updated, with due consideration, in the CSR Annual Action Plan.

8. Unspent Corporate Social Responsibility Account and Transfer to Fund

A. ONGOING PROJECTS:

The Board of Directors shall open an Unspent Corporate Social Responsibility Account to be held by the Company in a Scheduled Bank. The responsibility for opening and / or operating of this account will be by the officer of the level of DGM and above. The following transfers shall be permitted into the Account:

Amount permitted for transfer	Due date for Transfer
Unspent CSR amount assigned /related to any ongoing projects	Within 30 days of the closure of the Financial Year
Surplus arising out of any CSR activities	Within 6 months of the closure of the Financial Year

B. OTHER THAN ONGOING PROJECTS:

The following amounts shall be transferred to a Fund specified under Schedule VII to the Act or such Account as specified by the Government in this regard:

Amount to be transferred	Due date for transfer/spent
Unspent CSR amount not assigned /related to any ongoing projects	Within 6 months of the closure of the Financial Year
Any unspent amount remaining in the Unspent CSR Account	Shall be spent by Company within 30 days of completion of 3 (three) years from the date on which the amount was transferred to the Unspent CSR Account

9. CSR Activities

The Company's CSR Policy would undertake any of the activities listed/ relatable to items under Schedule VII of the Companies Act, 2013 including any amendment from time to time. However, the Company may shortlist any of the below listed focus areas to create a sustainable & meaningful impact as updated in the Annual action plan & to align with the Communication and Business Strategy of the Company:

1. 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;
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently

abled, and livelihood enhancement projects;

3. 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;
4. 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;
5. 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:
6. 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;
7. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
8. 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, Scheduled Tribes, other backward classes, minorities and women;
9. (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) Contribution 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 Homeopathy (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);
10. Rural development projects.
11. 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).

12. Disaster management, including relief, rehabilitation and reconstruction activities.

10. CSR Implementation

The Company may undertake CSR Activities either by itself or through the following entities eligible to undertake CSR activities under applicable law–

- (i) A company established under section 8 of the Act, or a registered public trust or a registered society, or registered under section 12A and approved under 80G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
- (ii) 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
- (iii) Any entity established under an Act of Parliament or a State legislature; or
- (iv) A company established under section 8 of the Act, or a registered public trust or a registered society, 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.

11. Shortlist Criteria

Any entity, covered in Section 10 of this Policy, that intends to undertake any CSR activity, should also meet the minimum eligibility criteria as follows:

- (a) Registration with the Central Government by filing the form CSR-1 electronically with the Registrar.
- (b) Minimum three years of experience post registration of entity and established track record in handling activities of similar nature.

12. Impact Assessment

Impact assessment shall be undertaken by the Company in the manner set out under applicable law, Section 135 of the Act read with the rules framed there under. The impact assessment report(s) shall be placed before the CSR Committee and the Board as an annexure to the annual report on CSR.

13. Monitoring of CSR projects or programs or activities

The following steps may be undertaken for monitoring of the Company's CSR programme:

- a) The CSR Committee will review the progress on the CSR initiatives and discuss budgetary utilization on a periodical basis. This meeting may include the relevant NGO/Partners, if required by the CSR Committee.
- b) The CSR Committee will present the progress periodically to the Board as part of the regular board meetings.

14. Reporting Template

The format for the “Annual Report on CSR Activities” to be included in the Board’s Report is detailed in Annexure A.

15. Disclosures

- (a) In terms of the provision of the Act and rules made there under; the Board of Directors of the Company shall mandatorily disclose the following on the official website of the Company:
 - (i) CSR Policy,
 - (ii) Composition of the CSR Committee; and
 - (iii) Projects approved by the Board.
- (b) The Board’s Report of the Company, pertaining to a financial year shall include an annual report on CSR containing particulars as specified in the Act or other applicable laws.
- (c) If the Company fails to spend during a financial year, the amount specified for CSR under the Act and Rules made thereunder, as may be amended from time to time, the Board shall, in its report specify reasons for not spending such amount.

16. Policy Review Mechanism

The CSR Committee will review and amend this policy to ascertain its appropriateness as per the needs of SBOSS and will recommend it to the Board for approval. Review shall be carried out as and when considered necessary, but at least once in three years. In the event of any conflict between the provisions of this Policy and the Act or any other statutory enactments, rules, the provisions of the Act or statutory enactments, rules shall prevail over this Policy.

The Board may, subject to applicable laws, amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy.

Annexure A

Annual Report on CSR Activities to be included in the Board's Report for Financial Year

1. Brief outline on CSR Policy of the Company:
2. Composition of CSR Committee:

Sl. No.	Name of Directors	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year

3. Provide the web-link(s) where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:
4. Provide the executive summary along with the web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.
5. (a) Average Net Profit of the Company as per sub-section (5) of Section 135:
 (b) Two percent of average net profit of the Company as per sub-section (5) of Section 135:
 (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years:
 (d) Amount required to be set-off for the financial year, if any:
 (e) Total CSR obligation for the financial year [(b)+(c)-(d)]
6. (a) Amount spent on CSR projects (both ongoing project and other than ongoing project):
 (b) Amount spent in administrative overheads:
 (c) Amount spent on Impact Assessment, if applicable:
 (d) Total amount spent for the financial year [(a)+(b)+(c)]
 (e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of Transfer	Name of Fund	Amount	Date of Transfer

(f) excess amount for set-off, if any:

Sl.	Particulars	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	

7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in Rs.)	Amount Spent in the Financial Year (in Rs)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
					Amount (in Rs)	Date of Transfer		

8. Whether any Capital Assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year (Yes/ No):

If Yes, enter the number of Capital assets created/ acquired

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset(s)	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner

	[including complete address and location of the property]						
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered Address

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135.