

BOBCARD LIMITED

(Formerly known as BOB Financial Solutions Limited)

Corporate Social Responsibility (CSR) Policy

(Approved by Board in meeting held on 3rd May, 2024 Agenda Item No 149/6D)

Document Information

Policy Name:	Corporate Social Responsibility (CSR) Policy
Policy Owner	BOBCARD LIMITED (erstwhile - BOB Financial Solutions Limited)
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Revision History

Sr. No.	Version No.	Addition in the Policy
1	1.0	The previous version of the policy has been amended to account for procedural changes
2	2.0	The previous version of the policy has been amended to account for procedural changes
3	3.0	The previous version of the policy has been amended to account for regulatory changes
4	4.0	The previous version of the policy has been amended to account for procedural changes

Existing Clause along with Point No	Proposed changes in the policy along with point no	Reason for change in the policy
Page 7 – Implementation	d) CSR activities conducted by self-nominated employee volunteer groups called Social Impact Army	To voluntarily contribute in CSR activities
Page 9 - Financial Powers for Sanction	Addition of: 1. Whole time Director/ Managing Director & CEO for CSR activities through Employee Volunteer Groups of the Company. 2. Whole Time Director/Managing Director & CEO jointly with Chief Financial Officer & Nodal Officer.	To be in line with point d mentioned above. Powers given to Whole-Time Directors for CSR contribution.

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A. Philosophy

As a conscientious corporate citizen, BOBCARD LIMITED (Formerly known as BOB Financial Solutions Limited (“hereinafter referred to as “ the Company”)) recognizes its role and responsibility to address some of country’s most pressing challenges relating to education, health, equality, environment, rural sports, rural development, socio economic development and access to various facilities for a decent living of mankind.

The Company is committed to enable people and technology to drive innovation, disseminate knowledge, and create shared value to improve lives. This is our corporate social responsibility philosophy (CSR)

The Company’s CSR is strongly connected with the principles of sustainability, an organization should make decisions based not only on financial factors, but also considering the social and environmental consequences. As a corporate citizen receiving various benefits out of society, it is our co-extensive responsibility to pay back in return to the society in terms of helping needy people by providing foods, clothes, medicines etc., keeping the environment clean and safe for the society by adhering to the best industrial practices and adopting best technologies and so on. It is the company’s intent to make a positive contribution to the society in which the company operates. Being a responsible corporate citizen and belonging to a well- known group in the country and internationally, the Company aims to lead the path not only through products and services, but also via sustainability and CSR initiatives.

The need to engage in responsible practices is led by an intense desire to contribute positively towards the three pillars of sustainability and CSR-Social, Economic and Environmental. These three pillars are integral to the Company’s business which clearly reflects its commitment, not only to the direct stakeholders but also to the society, in which it operates.

The Company remains committed to responsibly and ethically maintain the trust of its customers, its employees and other stakeholders.

B. Short title and applicability

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 programmes for welfare and sustainable development of the community at large.

The CSR Policy has been prepared keeping in mind the company's code of business ethics and to comply with the requirements of Companies Act, 2013 (hereinafter called as "the Act") and the Companies (Corporate Social Responsibility Policy) Rules, 2014, notified by the Ministry of Corporate Affairs as amended from time to time.

This policy shall apply to all CSR initiatives and activities taken up for the benefit of different segments of the society, specifically the deprived, under-privileged and differently-abled persons.

Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from the Government, from time to time.

The Company reserves the right to modify, add, or amend any of these policies, rules or guidelines.

This Policy will be applicable from the date of adoption/approval by the Board of Directors of the Company.

C. Guidelines for selection, implementation and monitoring of programmes / projects/ activities

The Company's CSR programmes/projects/activities areas shall be aligned with the national development priorities and the needs of the communities and will be in line with schedule VII and section 135 of the Act.

By its CSR programmes, the Company shall support programmes/projects and activities in the following domains:

1. Empowerment

- a) programmes/projects that promote gender equality, support creation of opportunities and facilitate employment for women, the differently abled and other weaker sections of the society;
- b) facilitate financial support and provide educational materials, information and tools such as books, periodicals, computer equipment to needy schools and children with a view to make them more educated and thus socially and economically empowered
- c) promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, health care facilities, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

2. Education

- a) promoting access and quality of education and foster research and development through creating infrastructure, promote scholarships, research grants among others in schools, colleges and universities;
- b) programmes/projects on vocational/academic training for women, specially- abled people, socially and economically backward and other weaker sections of the society.

3. Environment

- a) supporting programmes/projects that focus on conservation of the environment, encourage use of renewable energy, ensure environmental sustainability proper, waste management and preserve the balance of ecology;
- b) ensuring environmental sustainability, ecology balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water;

4. Eradication of Poverty

- a) programmes/projects and initiatives to impart financial literacy to facilitate financial inclusion;
- b) programmes/projects that help income generation, skill trainings and information dissemination programs related to farming, agricultural practices and animal husbandry to support farmers with an aim to encourage rural development and reduce poverty and hunger.

5. Disaster Relief

- a) engage with not-for-profits to deliver programmes/projects that organize relief work in times of natural calamities;
- b) programmes/projects which contribute towards disaster preparedness and humanitarian aid.

6. Health

- a) programmes/projects that help in reducing child mortality, improving maternal health, combat and prevent diseases, facilitate hygiene and sanitation etc.
- b) activities related to COVID-19 under item nos. (i) to (xii) of Schedule VII relating to promotion of healthcare, including preventive health and sanitation and disaster management.

7. Others

- a) Contribution to the Prime Minister's National Relief Fund, Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund setup by the Central Government for socio-economic development and relief and welfare of the scheduled caste, scheduled tribes, other backward classes, minority and women.
- b) Any other activities in relation of the above and all other activities which forms part of the Company's CSR programme.

D. Implementation

The CSR Committee may check feasibility of CSR budget/expenditure considering company's financial positions of three preceding financial years and if feasible, the CSR committee shall recommend the same to the Board.

The activities will be carried out as under;

- a) CSR activities implemented by the Company on its own,
- b) CSR activities implemented by the Company through own trust/society or Holding company's (Bank of Baroda) trust/society,
- c) CSR activities of the Company through an external party.
- d) CSR activities conducted by self-nominated employee volunteer groups called Social Impact Army

Definition- Self-nominated employee volunteer groups, known as Social Impact Army, which is a self-nominated group within the company dedicated to organizing and implementing corporate social responsibility initiatives. These activities are driven by employees who voluntarily come together to address social and environmental challenges, leveraging their skills, resources, and passion to make a positive impact on society and contribute to the company's broader CSR objectives.

While executing its CSR activities, the Company shall ensure that such activities are not in normal pursuance of its business.

The Company may undertake its CSR activities through a registered trust or society or any company, established by the company, or its holding company under section 8 of the Act for such non-for-profit objectives.

Provided that the Company can carry out its CSR activities through such other institutes having an established track record of 3 (three) years in undertaking the CSR activities.

The Company may also collaborate with other companies, banks institutions for undertaking the CSR activities subject to fulfilment of separate reporting requirements as prescribed in the companies (Corporate Social Responsibility Policy) Rules,2014 (the „Rules') as amended from time to time.

The Board or CSR Committee shall ensure that its Implementation partners are entities registered as Trust or Society or Company or Section 8/Section 25 Company or Department of science & Technology (DST), Certified technology

incubators or through collaborative projects with other corporate entities including its parent bank-Bank of Baroda.

The implementing partner should not have less than three years' experience in implementing projects. These agencies will be screened based on the Company's internal screening criteria to ascertain the entity's credibility and its ability to execute the proposed projects.

The disbursement of funds will be either in tranches or one-time payment, depending on the nature and requirement of the project. The terms, condition and timing of disbursement will be discussed and agreed to with the CSR projecting and will typically form part of the memorandum of understanding with the entity implementing the project.

The CSR Committee will oversee implementation and monitoring of all CSR Projects/ programmes with periodic visits and reports.

E. Governance

The approval of the CSR policy and overall oversight is the responsibility of the Board of Directors.

The responsibility of the CSR committee is to promote the strategy and administer & execute the policy.

The CSR committee is to ensure that projects/programmes are compliant with this policy and are monitored and reported effectively from time to time.

F. Roles and Responsibilities: Board of Directors

The Board of Directors of the Company will be responsible for:

- a. Approval of the CSR Policy of the company;
- b. Disclosing the content of the Policy in its annual report (the template of such report is mentioned at Para K of this Policy) and place the policy on the Company's website in such a manner as prescribed under section 135 of the companies Act 2013 read with the CSR Rules;
- c. Ensuring 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 in pursuance of this policy;
- d. Ensuring that it specifies the reason in its report for not spending the earmarked amount in case the company fails to spend such amount during the financial year;
- e. The board shall have the power to make any change(s) in the committee constitution.

CSR Committee

- a. Prepare, revise, and modify the CSR Policy for the company and place the

same with the Board of Director for their approval.

- b. Ensure that the programmes, projects and activities supported are aligned with the approved CSR Policy of the company and are also aligned to the activities prescribed in Schedule VII of the Companies Act, 2013;
- c. Review and approve annual budgets/expenditure with respect to CSR programmes;
- d. Review performance and effectiveness of projects supported;
- e. Develop and institutionalize a CSR reporting mechanism in light with Section 135 of the companies Act 2013 read with Rule 8 of the CSR rules framed there under;
- f. Respond to any query, observation or clarification sought by the Ministry of Corporate Affairs or any other regulatory authority with regards to CSR supported activities;
- g. Ensure that the approved CSR Policy of the Company is displayed on the website of the company and periodical update is also put up on the website;
- h. Reviewing the finding and recommendations from any investigation or audit by regulatory agencies or external auditors or consultants, if any concerning the Company's CSR matters; and
- i. In case the Company is not able to spend two per cent of the average net profits of the last three financial years or any part thereof, the CSR Committee shall provide the reasons for not spending the amount to the Board which shall also be included in the Board's report.

G. CSR Budgets/Expenditure

CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR programmes undertaken in accordance with the approved CSR Plan.

Moreover, any surplus and/or additional revenue generated out of CSR Activities arising from any CSR Programmes shall not form part of the business profit of the company and same shall be spent for undertaking any CSR Activities only.

Accordingly, any income arising from CSR Programmes will be netted off from the CSR expenditure and such net amount will be reported as CSR expenditure.

Whole time Director and Head HR is authorized to sanction and allocate the CSR budget to Employee volunteer group called "Social Impact Army" as approved by the board.

Financial Powers for Sanction

<u>Sr. No.</u>	<u>Sanctioning Authority</u>	<u>Sanctioning Powers</u>
1.	Board of Directors	Full Power

2.	CSR Committee	Up to Rs. 15 lacs for each/single proposal
3.	Whole time Director/ Managing Director & CEO for CSR activities through Employee Volunteer Groups of the Company .	Up to Rs. 5 lacs for each/single proposal
4.	Whole Time Director/Managing Director & CEO jointly with Chief Financial Officer & Nodal Officer.	Up to Rs. 2 lacs for each/single proposal
5.	Head HR for CSR activities through Employee Volunteer Groups of the Company.	Up to Rs. 2 lacs for each/single proposal

H. Annual Action Plan

The CSR Committee shall formulate an annual action plan for every financial year which shall include the following:

- a) the list of CSR projects or programmes that are approved and to be undertaken by the company;
- 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) monitoring and reporting mechanism for the projects or programmes; and
- e) details of need and impact assessment, if any, for the projects undertaken by the company.

The CSR Committee shall be empowered to alter the annual action plan during the financial year, based on the reasonable justification for such change, subject to reporting to the Board of Directors.

I. Nodal officer

The Board shall authorise any employee of the Company (not below the rank of Assistant Vice President) as the Nodal Officer, who shall directly report to the Chief Financial Officer or Managing Director or the CSR committee or the Board as the case may be and shall be responsible for following functions;

- a) Submit a yearly report of activities undertaken, budget spend, sanction donations, if any at each level to CSR Committee for consideration;

- b) Ensure that all compliance requirements are met with and necessary reporting done to appropriate authorities;
- c) Minutes of CSR Committee to be submitted to the Board for information;
- d) Formation of a Trust and placing the proposal for approval of the CSR Committee and the Board of Directors, as the case may be;
- e) Any other activity as decided by the CSR Committee.

J. General

In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to CSR Committee. In all such matters, the interpretation and decision of the committee shall be final.

K. Review

This Policy will get formally reviewed and approved annually from the Board of the Company or earlier in case of any changes in laws and regulations (as may be applicable).

L. Reporting

The board of directors of the Company shall, after taking into account the recommendations of the CSR committee, approve the CSR policy of the Company and disclose contents of such policy in its report and the same shall be displayed on the company's website, if any, as per the particulars mentioned below:

The format for the annual report on CSR activities to be included in Board's report shall be as prescribed under Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 or such other format as may be prescribed from time to time.
