



Corporate Social Responsibility (CSR) Policy

Overview of the Policy	
Preamble	<p>SBI-SG Global Securities Services Private Limited (“SBI-SG” or “Company”) is a company incorporated and registered as a Private Limited Company under the Companies Act, 2013. The Company believes in positively contributing to the economic, environmental and social well-being of communities through Corporate Social Responsibility (CSR) agenda.</p> <p>SBI-SG believes that financial institutions play a pivotal role in catalysing sustainable economic growth that can deliver equitable development for all.</p> <p>Accordingly, SBI-SG has also adopted a strong CSR Policy, charting out its plan to invest in our society and its own future</p>
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Contents	
1. Definitions	<ol style="list-style-type: none">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:-<ol style="list-style-type: none">(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 (29 of 2019);(v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;(vi) activities carried out for fulfilment 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. "**International Organisation**" means an organisation notified by the Central Government as an international organisation under section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), to which the provisions of the Schedule to the said Act apply;

6. "**Net Profit**" means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:

- any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
- Any dividend received from other companies in India, which are covered under and complying with provisions of Section 135 of the Companies Act 2013.

Provided that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381, read with section 198 of the Act;

7. "**Ongoing Project**" means a multi-year project undertaken by a Company in fulfilment 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;

8. "**Public Authority**" means 'Public Authority' as defined in clause (h) of section 2 of the Right to Information Act, 2005 (22 of 2005);

9. "**Section**" means a section of the Act.

2. Background

The Ministry of Corporate Affairs (MCA) has notified **Section 135** and **Schedule VII** of the Act as well as the provisions of the **Companies (Corporate Social Responsibility Policy) Rules, 2014 (CSR Rules)** which came into effect from 1st April 2014 and the Central Government made the further amendments to the Companies (Corporate Social Responsibility Policy) Rules, 2014, vide the **Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021** dated 22nd January, 2021

Key provisions of Act related to CSR:

- In terms of Section 135 of the Act, every company, which has any of the following, needs to spend at least 2% of its average **net profit** for the immediately preceding three financial years on corporate social responsibility activities.

	<ul style="list-style-type: none"> ➤ net worth of Rs. 500 crore or more; ➤ turnover of Rs. 1000 crore or more; ➤ net profit of Rs. 5 crore or more. <ul style="list-style-type: none"> • As per Rule 3(2) of CSR Rules, companies covered under CSR provisions falls outside the ambit of CSR provisions if it ceases to fulfil the aforesaid criteria for three Consecutive Years. Once the company again falls within the criteria, provisions of CSR will be applicable. • The Board shall ensure that the CSR activities are undertaken by the company itself or through - <ul style="list-style-type: none"> (a) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 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, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities. • A company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as well as for capacity building of personnel involved in CSR. • A Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with the rules. • The Board of a company shall satisfy itself that the funds so disbursed have been utilised 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. • In case of ongoing project, the Board of a Company 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.
<p>3. Governance</p>	<p><u>CSR Committee</u></p> <ul style="list-style-type: none"> • <u>Constitution:</u> <ul style="list-style-type: none"> ➤ As per Act, every company to which CSR is mandatory should constitute a CSR Committee to undertake and monitor CSR activities. ➤ SBI –SG in its Board Meeting held on July 28, 2015 has constituted the CSR Committee. The CSR Committee would direct, guide and oversee the policies and progress on the Company’s corporate social responsibility and related activities and offer advice to the Board of Directors on these matters.

	<ul style="list-style-type: none"> • <u>Role and Functions</u> <ul style="list-style-type: none"> ➤ To formulate and recommend an annual action plan in pursuance of its CSR policy, which shall include the following, namely:- <ul style="list-style-type: none"> (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act; (b) the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4 of Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021; (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 (f) to recommend to the Board to approve alteration in such plan at any time during the financial year, based on the reasonable justification to that effect. ➤ To recommend the amount of expenditure to be incurred on CSR activities ➤ To monitor the implementation of CSR policy and review and recommend the changes to CSR Policy to Board from time to time. ➤ To decide routing of CSR funds allocated/available for disbursement for CSR activities through SBI Foundation or directly by the Company or through any other channel. ➤ Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time. <p><u>Board of Directors</u></p> <ul style="list-style-type: none"> • <u>Role and Functions</u> <ul style="list-style-type: none"> ➤ To approve the CSR Policy recommended by the CSR Committee ➤ To disclose contents of the CSR Policy in the Directors Report & place it on SBI-SG website. ➤ To ensure that activities reflected in CSR policy are undertaken by the Company. ➤ To ensure that activities included by the Company in its CSR Policy are related to the activities included in Schedule VII of the Companies Act, 2013. ➤ To 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, in pursuance of its CSR Policy. In case the company is not able to spend the required amount the Board shall in its report under 134 sub section(3) clause (o) of the Act shall specify the circumstances for not spending the earmarked amount. ➤ To alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect
<p>4. Review and Monitoring Mechanism</p>	<ul style="list-style-type: none"> • <u>Calculation of CSR Spending</u> <ul style="list-style-type: none"> ➤ The Internal Auditor shall review the audited annual financials and confirm the amount to be spent on CSR activities based on, as per prevalent provisions of Act/Rules as amended from time to time.

	<ul style="list-style-type: none"> The Company Secretarial Department shall place signed business note comprising of Internal Auditors Certificate on calculation of CSR amount to be spent in the prevalent financial year to the in the CSR Committee Meeting. The amount proposed to be spent on CSR activities shall be maintained as separate reserve i.e. CSR Reserve at all times. Further, it is to be noted that the surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a Company.
5. CSR Initiatives	<p><u>CSR Activities covered within schedule VII of the Act:</u></p> <ul style="list-style-type: none"> ➤ eradicating extreme hunger and poverty; ➤ promotion of education; ➤ promoting gender equality and empowering women; ➤ reducing child mortality and improving maternal health; ➤ combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases; ➤ ensuring environmental sustainability; ➤ employment enhancing vocational skills; ➤ social business projects; ➤ contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and ➤ Such other matters as may be prescribed. <p><u>Activities which do not qualify as CSR Activity</u></p> <ul style="list-style-type: none"> ➤ Activities undertaken in normal course of business. ➤ Activity undertaken outside India. ➤ CSR projects or programs or activities that benefit only the employees of the company and their families ➤ Contribution of any amount directly or indirectly to any political party under section 182 of the Act, shall not be considered as CSR activity.
6. Monitoring of compliance with this policy	<p>The prime responsibility for the ongoing monitoring of compliance with this policy rests with the Company Secretary.</p> <p>In addition, periodic monitoring will be conducted by the Internal Auditors as part of their reviews. The internal Audit function should be independent, adequately resourced.</p>
Related Policies and Documents	
	<p>Companies Act, 2013 Companies (Corporate Social Responsibility Policy) Rules, 2014</p>
Authorisation, Ownership and Document Control	
Owner	Company Secretary
Approver and Date	Board of Directors
Validity and Periodicity of the Policy	This Policy shall normally be reviewed annually by the Company and would be presented to CSR Committee/Board of Directors for approval. In any case, the gap between two reviews shall not be more than 24 months. The changes shall be implemented as and when announced by the regulators, till included in the updated policy.
Effective Date for Version 1.0	

Review History				
<i>Date of Review</i>	Action Taken	New Version	Date Approved	New Effective Date
27.10.2015	27.10.2015	-	27.10.2015	27.10.2015
26.07.2017	26.07.2017	-	26.07.2017	26.07.2017
23.07.2018	23.07.2018	-	23.07.2018	23.07.2018
13.09.2019	13.09.2019	-	13.09.2019	13.09.2019
29.04.2021	29.04.2021	-	29.04.2021	29.04.2021
Further Information				
Contact	Questions regarding this policy should be directed to Company Secretary, SBI –SG Global Securities Services Pvt Ltd, Mumbai.			
