

BOB CAPITAL MARKETS LIMITED

Corporate Social Responsibility Policy

TITLE	Corporate Social Responsibility Policy
APPLIES TO	CSR activities

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. Since its inception, BOB Capital Markets Limited has been involved with several initiatives, actively pursuing and endorsing community improvement efforts in varying capacities, across India through its Funds. 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.

2. Definitions

2.1 "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;

2.2 "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: -

- (i) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
- (ii) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act:

2.3 "Ongoing Project" means a multi-year project undertaken by a 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;

2.4“ Public Authority” means ‘Public Authority’ as defined in clause (h) of section 2 of the Right to Information Act, 2005 (22 of 2005)

2.5 “International Organization” means an organisation notified by the Central Government as an international organization 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.

3. Role of the Board

BOB Capital Markets Limited (“the company”), being governed by the rules of The Companies Act, 2013 (“the Act”), our CSR policy & programme is aligned with Section 135 of the Act as amended from time to time (The related definitions & clauses with respect to Sec 135 are appended in Annexure A).

As such, the Board of Directors of the Company shall constitute a CSR Committee consisting of three or more Directors, out of which atleast one shall be an independent director, pursuant to the section 135(1) of the Companies Act, 2013.

The Board shall additionally oversee the below;

a) After taking into account the recommendations made by the Corporate Social Responsibility Committee (as constituted above), approve the Corporate Social Responsibility Policy for the company and disclose the contents of such Policy in its report and also place it on the company's website –www.bobcaps.in, in such manner as may be prescribed by Rules issued in this regard;

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 their 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 Corporate Social Responsibility Policy of the company are undertaken by the company; and

e) Monitor the implementation of the project 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 Companies Act, 2013 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 Companies Act, 2013.

g) The Board shall ensure that the CSR Activities are undertaken by the company itself or through –

- (i) 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
- (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, 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.
- (v) 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.

4. Role of the CSR Committee

The Corporate Social Responsibility (CSR) Committee “CSR Committee” means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the act. Such a committee constituted by BOBCAPS Board shall have the following terms of reference:

The Corporate Social Responsibility (CSR) Committee constituted by the Board of Directors shall have the following terms of reference: The CSR Committee 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 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
- (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:

Provided that Board may 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.”

5. CSR Expenditure and Budget

5.1 As stated under Sec 135 (5) of The Companies Act, 2013 BOBCAPS shall ensure that it spends, in every financial year, at least two percent or more of the average net profits made during the three immediately preceding financial years in pursuance of its Corporate Social Responsibility Policy

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

5.3 Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of 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.

5.4 Where a company spends an amount in excess of requirement provided under sub-section (5) of section 135 , such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that –

(i) The excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule.

(ii) The Board of the company shall pass a resolution to that effect.

The CSR amount may be spent by a 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:

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

6 Unspent Corporate Social Responsibility Account and Transfer to Fund

A. ONGOING PROJECTS:

The Board of Directors shall open an Unspent Corporate Social Responsibility Account held by the Company in a Scheduled Bank. 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

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:

B. NON-ONGOING PROJECTS:

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

7 CSR Activities

The Company's CSR Policy would encompass all the activities listed under Schedule VII of the Companies Act, 2013 (Annexure A). However, the Company has shortlisted the below listed focus areas to create a sustainable & meaningful impact & 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 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 centers 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,
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, the Scheduled Tribes, other backward classes, minorities and women;

9. Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Biotechnology (DBT), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) 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.

13. Undertaking training of Indian Sports Personnel representing any State or Union Territory at National Level or India at international level

14. Such other matters as may be notified by Ministry of Corporate Affairs from time to time

The above focus areas may be re-aligned, and new focus areas incorporated, as and when deemed necessary, by the Company's CSR Committee.

The specific undertakings and collaborations under each focus area and approximate budget allocation to each of the focus areas from the Company's CSR budget for the year, will be demarcated for reference purpose in the CSR Strategy Document. The individual CSR activities undertaken should preferably be in the vicinity of the Company's offices across the country and not more than 25% of the available funds for the corresponding FY should be allocated for any one project so as to ensure equitable distribution and utilization of funds.

8. Shortlist Criteria

The Company will partner only with entities registered with the Central Government through CSR-1 norms with effect from the 01st day of April 2021. A CSR Association Form to be filled-in and submitted by any partner / vendor, to help the Company evaluate and screen CSR proposals for possible association, is appended as Annexure 'B'

9. Implementation Process

9.1 The Board shall ensure that the CSR activities are undertaken by the company itself or through –

- (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,

The following entities will oversee the CSR Policy, its implementations and execution of CSR projects, programs and activities:

1. The Board
2. The CSR Committee, as constituted by the Board

The key implementation steps and processes have been summarized below:

1. Develop a CSR Annual Action Plan – The CSR Committee will draft a CSR Annual Action plan Strategy document aligned with the overall objectives of the company on social interactions and the focus areas listed in Clause 4 of the policy. Specific initiatives, shortlisted projects & associations under each of the above focus areas, will be incorporated in the CSR Strategy Document, during the course of the year.
2. Allocation of geographical budgets, if any
3. Operationalizing the institutional mechanism – CSR Committee and team identification & capacity building
4. Shortlist Implementing Agencies and conducting due diligence, if required
5. Project Development – Detailed Project Report (DPR)
6. Clear identification of CSR Budget
7. Project approval
8. Finalizing agreements with the implementing agencies
9. Project Implementation
10. Documentation, Monitoring (at Board and CSR Committee level)
11. Evaluation (Concurrent, Final & if possible, by an Independent Third Party)
12. Project impact assessment
13. Preparation of reporting format and placement in public domain

9.2 Provided that:

The company has specified the projects or programs to be undertaken through these entities and the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.

The company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR.

The company may also collaborate with other companies for undertaking CSR projects or programs or activities, provided the CSR Committee is in a position to report separately on such projects or programs or activities in accordance with the CSR Rules. The Company will have the authority to disengage from any project at its own free will and at any point of time during the implementation of the project, subject to the approval of the CSR Committee.

The finalized schedule for each of the CSR project or programs or activity containing details of project, modalities of execution, implementation schedule and monitoring mechanism shall be as per this CSR Policy.

10. Impact Assessment

In the event of the Company's average CSR obligation exceeding Rs. 1 Crores or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, the Company shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.

The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR. A Company undertaking impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

11. Employee Engagement

BOB Capital Markets Limited actively encourages its employees to volunteer for/participate in social causes. Employees are free to offer suggestions and pass on recommendations as well as be a part of related activities in the short-listed focus areas, under the Company's CSR Policy. The Company will make all efforts to engage its employees to participate in and promote the causes that it endorses, under its CSR outreach, across all its locations & business centers.

12. Monitoring of CSR projects or programs or activities

The CSR Committee will review the progress on the CSR initiatives and discuss the budgetary utilization on a periodically basis. This meeting may include the relevant NGO/Partners, if required by the CSR Committee. The CSR Committee will present the periodically progress to the Board as part of the regular board meetings. In order to ensure that the amounts spent by the Company on CSR activities get properly utilized for the projects for which they are earmarked, the Managing Director may also nominate two to three officials of the Company to monitor the actual implementation of those projects, depending on the scale of the project.

13. Reporting Template

The format for the “Annual Report on CSR Activities” to be included in the Board’s Report and to be displayed on the company’s website www.bobcaps.in shall be as follows:

1. A brief outline of the company CSR policy & CSR Strategy Document
2. The Composition of the CSR Committee in the below format:

Name of Director	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 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 subsection (6) of section 135.	Amount transferred to any fund specified under Schedule VII as per second proviso to subsection (5) of section 135.

	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.

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

Sl. No.	Particular	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:

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of section 135 (in Rs.)	Balance Amount in Unspent CSR Account under subsection (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 proviso to subsection (5) of section 135, if any Amount in Rs.	Amount remaining to be spent in succeeding Financial Years (in Rs)	Deficiency, if any
1	FY-1						
2	FY-2						
3	FY-3						

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:

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner (Mention Name, Registered Address and CSR Registration number, if applicable)

(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 subsection (5) of section 135.

10. A Responsibility statement of the CSR Committee that the implementation and the monitoring of the CSR Policy, is in compliance with the CSR objectives and the Policy of the company.

11. The Annual Report shall be signed by :
a. Managing Director & CEO or Director
b. Chairman - CSR Committee.

Annexure 'A' : Guidelines under the Companies Act, 2013

Sec 135 under the Companies Act, 2013 mandates that the Board of every company shall ensure that the company spends, in every financial year, at least two percent of the average net profits made by the company during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The details of eligibility, net profit calculation and use of funds will be as set out in the Companies Act, 2013 or Rules made thereunder and subsequent amendments / clarifications/ circulars/ notifications

Definitions:

1. "Corporate Social Responsibility (CSR)" means and includes but is not limited to:-
 - i. Projects or programs relating to activities specified in Schedule VII to the Act; or
 - ii. Projects or programs relating to activities undertaken by the Board of Directors of the company (Board) in pursuance of recommendations of the CSR committee of the Board as per the declared CSR Policy of the company subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act.
2. "CSR Expenditure" shall include all expenditure including contribution to corpus, 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.
3. "CSR Policy" relates to activities to be undertaken by the company as specified in Schedule VII to the Act and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of the company.

Guidelines

- Only projects or programs or activities undertaken in India shall amount to CSR expenditure
- The company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities.
- CSR projects or programs or activities that benefit only employees of the company and their families shall not be considered as CSR activities.
- Contribution of any amount directly or indirectly to any political party shall not be considered as CSR activity.
- The company may build CSR capacities of its own personnel as well as those of its Implementing agencies through Institutions with established track records of at least three financial years but such expenditure including expenditure on administrative overheads, shall not exceed five percent of total CSR expenditure of the company in one financial year.
- Expenses incurred by the company for the fulfilment of any Act/ Statute or Regulations (such as Labour Laws, Land Acquisition Act etc.) would not count as CSR expenditure under the Companies Act.
- One-off events such as marathons/ awards/ charitable contribution/ advertisement/ sponsorships of TV programmes etc. would not be qualified as part of CSR expenditure.

- The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company and in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

Annexure-B: Corporate Social Responsibility (CSR) Association Form

Organisation Details

Contact Details		
01	Name of organization	
02	Address for Correspondence	
03	Telephone numbers	
04	Website	
05	Founder of Organisation	
06	Head of the Organisation	
	Mobile Number	
	E mail	
07	Contact Person	
	Mobile Number	
	E mail	
Registration Details		
01	Whether registered or not ?	
	If yes under what Act ?	
	Registration number and date	
02	PAN	
03	12A Certificate	
04	80G Certificate	
05	FCRA Registration no.	
	References	