

Branch International Financial Services Private Limited

Corporate Social Responsibility Policy

Version Control

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Branch International Corporate Social Responsibility Policy

1. OBJECTIVE OF POLICY

Corporate Social Responsibility (“CSR”) is defined as the integration of business operations and values, whereby the interests of all stakeholders including investors, customers, employees, the community and the environment are reflected in the company's policies and actions.

The Company believes in integrating social and environmental concerns in their business operations and interactions with their stakeholders. The Company has always worked towards building trust with shareholders, employees, customers, bankers, regulators and other stakeholders based on the principles of good corporate governance, integrity, equity, transparency, fairness, disclosure, accountability and commitment to values. Therefore, it is the core corporate responsibility of Branch International Financial Services Private Limited to practice its corporate values through Corporate Social Responsibility through which the company aim to align business values, purpose and strategy with the needs of the society as a whole in which the Company operates, whilst embedding such responsible and ethical principles into everything the Company shall do.

The Corporate Social Responsibility Policy (CSR Policy) of Branch International Financial Services Private Limited sets out the framework guiding the Company's CSR activities. The Policy also sets out the rules that need to be adhered to while taking up and implementing CSR activities.

2. DEFINITIONS

- **“Act”** means the Companies Act, 2013
- **“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;
- **“Board”** means Board of Directors of the Company.
- **“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 the Companies (Corporate Social Responsibility Policy) Rules, 2014
- **“CSR Committee”** means Corporate Social Responsibility Committee constituted by the Board pursuant to section 135 of the Companies Act, 2013 and rules made there under.
- **“Company”** means Branch International Financial Services Private Limited.
- **“Net Profit”** means the net profit as defined under section 135 of the Companies Act 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014

Presently the Net profit means:

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: 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;
- **“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;
 - **“Rules”** means the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.

Words and expressions used in this policy and not defined herein but defined under the Companies Act, 2013 or rules made thereunder as amended from time to time shall have the same meanings respectively assigned to them.

3. CSR ACTIVITIES

Activities which may be included by companies in their Corporate Social Responsibility Policies Activities relating to:—

- i. Eradicating hunger, poverty and malnutrition, “promoting health care including preventive health care” and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
- ii. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- iii. 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.
- iv. 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.
- v. 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 art and handicrafts.

- vi. 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.
- vii. training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports.
- viii. contribution to the prime minister's national relief fund 8[or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- ix. (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) Contributions 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 Homoeopathy (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).
- x. rural development projects
- xi. slum area development.
Explanation: - For the purposes of this item, the term `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.
- xii. disaster management, including relief, rehabilitation and reconstruction activities.

4. COMPOSITION CSR COMMITTEE

The Corporate Social Responsibility (CSR) Committee of the Company shall be constituted in accordance with the applicable laws. The Board of Directors shall constitute the CSR Committee. The Members of CSR shall be appointed by the Board of Directors of the Company which must consist of at least two or more Directors. The CSR Committee of the Company shall be comprised of the following Directors:

Sr. No.	Name of Members	Nature of Directorship	Designation of Member
1	Neeraj Gupta	Managing Director	Chairman
2	Matthew Flannery	Director	Member

3	Uma Shankar Paliwal	Non-Executive (Independent Director)	Member
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5. CSR COMMITTEE MEETINGS:

The CSR Committee shall meet as often as its members deem necessary to perform the duties and responsibilities.

6. ROLE OF THE CSR COMMITTEE

a. Oversight of the development of the CSR vision, strategy, policies and plan

1. Recommend the Board the objective of Corporate Social Responsibility (CSR) to generate conducive environment to conduct the business in a socially responsible manner and to carry on business activities in the ethical way with regards to legal obligations and commitments;

2. Formulate and recommend to the Board, the Corporate Social Responsibility Policy (CSR Policy) which shall indicate the activities to be undertaken by the company in the areas or subject specified in Schedule VII to the Companies Act, 2013 integrating company's vision, mission, focus area and resources;

3. Monitor the CSR Policy of the company from time to time and recommend to the Board for modification(s) to the CSR Policy as and when required;

4. Formulation and recommendation to the Board Annual Action Plan (AAP) in pursuance of the CSR Policy of the company detailing therein the process of selection of CSR project, comprehensive budget, activity-wise budget, involvement of employees, execution strategy, rationale and benefits of such expenditure of selected CSR projects. In addition, such AAP 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 utilization 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;

5. Recommend to the Board the amount of expenditure to be incurred on various activities in a financial year as per CSR Policy and Annual Action Plan;

b. Oversight of the implementation of the CSR vision and strategy

1. Establish steps for the effective implementation, maintenance, periodic reviews and improvement in the CSR system in the company;

2. Recommend building CSR capacities of own personnel or of implementing agencies and take measures to involve the employees in CSR activities of the company;

3. Monitor the implementation of the CSR Program undertaken by the company;

4. Instituting and recommending fair, transparent, accountable monitoring mechanisms for the implementation of CSR activities undertaken by the company;
5. Integrating, implementing and promoting socially responsible behavior within the Company and ensuring governance, disclosure and legal compliances with respect to CSR obligations of the company;
6. Analyze governance framework and identify the gaps in the light of company's Mission and make continuous improvement in Governance Framework for CSR activities of the company;
7. Recommend the Board modalities and manner for the transfer of ownership of Capital Assets, if created or acquired, through CSR spending;
8. Develop and suggest the Board, Standard Operating Process (SoP) for manner of execution of any CSR Projects and modalities of use of funds, factor risk assessment for any CSR project selected and plan for its management and control;

c. Oversight of the external communications policies

1. Oversee the publication, internally and externally, of corporate responsibility performance and plans using the Company's website, annual report and other such methods of communication as are considered necessary. To approve performance measures and KPIs, their audit, verification and inclusion within the Annual Report if required;
2. Suggest agencies to have a Need Assessment and Impact Assessment of any CSR Project of the company for monitoring the quality and efficacy of CSR project of the company;
3. Communicating commitments, performances, reports and other information in timely and legal manner and review the quality of any reporting to external stakeholders concerning CSR matters (to form part of the Annual Report if required)
5. Identifying and suggesting the Board, the Implementing Agencies for any CSR Program with Due Diligence and develop Standard Operating Process (SoP) for such Due Diligence;
6. Obtain professional advice from external sources for the purpose of accomplishment of overall CSR objectives laid down under the Act and aligning it with the Mission of the company;
7. Review and evaluate the performance of the Committee and these terms of reference to ensure that it is operating at maximum effectiveness, and recommend any changes it considers appropriate for the Board's approval;
8. The Committee may delegate any or all of its powers and authorities set out in these terms of reference to a sub-committee of the CSR Committee;
9. Any other matter as may be considered expedient in furtherance of and to comply with the CSR Policy and CSR activities of the company;
10. In carrying out its responsibilities the Committee shall work and liaise as necessary with all other Board committees, and give due consideration to all relevant laws, rules, regulations and regulatory requirements and guidance applicable to the company.

7. CSR EXPENDITURE

1. The Company shall spend at least 2% (two percent) of average Net Profits of the Company made during the three immediately preceding financial years in accordance with the Act and the Rules and the CSR Policy.
2. The CSR Committee shall recommend the manner in which the CSR Expenditure shall be incurred in a year, in accordance with the Act and the Rules and the CSR Policy.
3. The Board shall be responsible for sanctioning the CSR Expenditure and along with the CSR Committee responsible for taking steps to ensure that the amount for the CSR Expenditure is available to the Implementation Group for application towards the CSR Activities.
4. Any surplus arising out of the CSR Activities shall not form part of the business profit of the Company and may only be re-allocated to the CSR Activities being undertaken in terms of this CSR Policy and the annual action plan for the financial year in which such surplus has arisen.
5. In order to count towards CSR Expenditure, CSR Activities must be undertaken in compliance with the applicable laws and shall not include the following:
 - (i) activities undertaken in pursuance of normal course of business of the company and 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;
 - (ii) contribution of any amount directly or indirectly to any political party under Section 182 of the Act;
 - (iii) activities benefiting employees of the company as defined in clause (k) of Section 2 of the Code on Wages, 2019 (29 of 2019);
 - (iv) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services; and
 - (v) activities carried out for fulfillment of any other statutory obligations under any law in force in India.
 - (vi) Projects/activities not falling within Schedule VII (i.e. activities mentioned under CSR initiatives and programs)
6. The Board shall ensure that the administrative overheads shall not exceed five per cent of the total CSR expenditure of the Company for the financial year.

8. ANNUAL ACTION PLAN

- a. An Annual Action Plan (AAP) will be formulated and recommended to the Board by the CSR Committee. However the Board may alter such Annual Action Plan at any time during the financial year based on the reasonable justification.
- b. For formulation of AAP, CSR Committee to consider following factors:
 - Availability of required resources

- Capacity of Implementing Agency
- Need analysis for the project
- Cost - Benefit analysis
- Desired Outcome of the Project
- Safety and Health
- Quality of goods or services
- Contribution with business excellence
- Creation or Acquisition of Capital Asset

9. ROLE OF THE BOARD

- (i) The Board to satisfy itself that the funds disbursed for any CSR project have been utilized for the purposes and in the manner as approved by it ; and
- (ii) The Chief Financial Officer (CFO) or the person responsible for financial management in the Company shall certify the details spent as per Board approval.

10. PRINCIPLE FOR SELECTION, IMPLEMENTATION, MONITORING AND EVALUATION

- a. The selection of CSR Project will be based on approach of the Company that integrates all components by carefully balancing the complex inter-relationship among the Board of Directors, CSR Committees, Finance, Compliance & Assurance teams, Auditors and the senior management and beneficiaries;
- b. The Company may collaborate or pool resources with other companies to undertake CSR project, program or activities;
- c. The Chairman of the CSR committee shall draw a time frame from the date of initiation of Projects or Programs. Any delay noticed by the Chairman while monitoring the activity, the Committee shall take adequate remedial measures for timely completion of the Project ;
- d. Any official from CSR committee or any other person authorized by CSR committee may independently review the performance of any CSR Project by visiting the sites;
- e. In case of any Ongoing Project, the Board shall monitor the implementation of such Project with reference to approved timelines, year wise allocation and shall make modifications, if required, for smooth implementation of the Project within the overall permissible time period;
- f. The Company may engage International Organizations for designing, monitoring and evaluation of the CSR projects or programmes;

11. CSR GOVERNANCE AND COMPLIANCES

- a. The Company shall maintain valuable relationship and trust with all its stakeholders ;
- b. If required the finance head / CFO will provide yearly report on utilization of funds to the CSR Committee;

- c. For better and high performance of the CSR Committee , the Company shall always ensure and enhance the process for the Committee meetings and agenda/ notes/papers be circulated in advance for effective meeting of the Committee;
- d. The Company to be compliant of all local laws and provide value to all its stakeholders.

12. TREATMENT OF SURPLUS

- a. Any surplus arising out of the CSR activities shall not form part of the business profit of the Company and shall be put back into the same project or shall be transferred to the Unspent CSR Account of that Financial Year and spent in pursuance of CSR policy and Annual Action Plan; or
- b. Transfer such surplus amount to a Fund specified in Schedule VII to the CA 2013, within a period of six months of the expiry of the financial year.

13. AMENDMENTS TO THE CSR POLICY

The Board of Directors of the Company shall have the powers to revise / modify / amend this Policy from time to time, as the Board may think fit, based on the recommendations to be made by the CSR Committee.

Any subsequent amendment / modification in the CSR Rules made by the MCA, under the Act and / or any other laws in this regard shall automatically apply to this Policy.