



Corporate Social Responsibility Policy

Document Review and Approval
Revision history

	Summary of Change	Prepared By	Reviewed by	Recommended by (Mgt. Com)	Approved by	Ver No.	Effective Date
1	First Release	Pratima Thomas - Head -HR	Basavraj Loni – DVP Legal and Company Secretary	Corporate Social Responsibility Committee	Board of Directors	1.0	August 12, 2021

Corporate Social Responsibility Policy

As per Section 135 of the Companies Act, 2013, Companies (Corporate Social Responsibility) Rules, 2014 and Schedule VII which prescribes mandatory provisions for Companies to fulfill their Corporate Social Responsibility (“CSR”).

This Corporate Social Responsibility Policy is being formulated in compliance with the requirement of Section 135 and Schedule VII of the Companies Act, 2013, as amended from time to time.

1. Vision and Commitment:

Fino Payments Bank Limited (herein after referred to as “**Bank**” or “**FPB**”) Vision is to catalyse nation building by making every citizen financially secure/literate. Social and environmental responsibility has always been at the forefront of Bank’s operating philosophy. The business model of serving the rural masses itself is a well- established example of CSR. As a responsible and aware corporate citizen, we try to contribute towards socio- economic causes of Indian citizens. FPB strives to be a customer centric organization that delivers essential financial services at scale to various customer segments in a robust and transparent manner. Recognizing the communities in which FPB works and vision for positive impact, FPB conducts its business with a strong Double-Bottom-Line approach. This is exemplified both with routine business operations as well as the programs FPB sponsors for its customers, employees and community at large.

FPB’s Vision for CSR is to further its social and environmental commitment by incorporating the vision of CSR laid out by the government in the Companies Act, 2013. FPB intends to integrate the CSR guidelines in its business operations as well as outline a strategy to invest its CSR monies in socially and environmentally beneficial outcomes.

This CSR Policy shall apply to all corporate social responsibility initiatives and activities undertaken by the Company for the benefit of different segments of the society and for enhancement of the fields like education, health care, environment, etc. more particularly described below.

2. CSR Committee:

- i. The CSR Committee shall comprises of at least 3 (three) directors, one of whom shall be independent director in line with the provisions of Section 135 of the Companies Act, 2013. The Board shall be empowered to modify the composition of CSR Committee, provided that there shall always be at least one Independent Director as part of CSR Committee or such other composition as may be prescribed from time to time.
- ii. The Committee will report to the Board of Directors of the Bank.

3. Roles and Responsibilities of CSR Committee:

CSR Committee is governing body that shall define the CSR activities for the Bank and approve/review implement CSR policy at least annually. The functions of CSR committee shall be as under:

- i. Formulate and recommend to the Board a CSR policy which shall indicate activities/projects to be undertaken by the Bank in areas or subject, as stated in Annexure A, in compliance with the Section 135 of the Companies Act, 2013 and Schedule VII thereof and the Companies (Corporate Social Responsibility Policy) Rules, 2014.
- ii. Recommend to the Board from time to time, and seek its approval for expenditure to be incurred, from the Board of Directors of the Bank.
- iii. Ensure that the surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Bank.
- iv. Monitor the CSR Policy of the Bank from time to time.
- v. Recommend to the Board, modification to the CSR Policy as and when required.
- vi. The Committee members shall conduct its meeting, as and when it may feel necessary, to discuss on overall CSR activities.

4. Roles and Responsibilities of the Board:

The role and responsibility of the Board shall include:

- i. Approval of CSR policy after taking into account the recommendations of the CSR Committee.
- ii. Ensure that the contents of the CSR policy in Board's report and are displayed on website of the Bank in the manner prescribed under the applicable statute.
- iii. Ensure that the CSR activities are undertaken and executed by the Bank as per this CSR policy and the applicable laws.
- iv. Report in Board's report the CSR disclosures as specified in the Companies Act, 2013.
- v. Specify in the Board's report, the reasons, if the required amount is not fully spent in CSR activities.

5. Funding, Selection, Implementation and Monitoring:

A. Budget allocation and funding obligations:

- The Board shall ensure that the Bank spends, in every financial year, at least two percent of the average net profits of the Bank made during the three immediately preceding financial years in pursuance of its Policy.
- The total budget for the CSR projects will be recommended by the CSR Committee and approved by the Board as per the applicable rules, regulations of the Act as may be amended from time to time.

- In order to compute whether the Bank has under spent or over-spent, the Bank shall consider the following:
 - a. Project Cost – it shall include designing, implementation, monitoring and evaluation cost incurred directly or indirectly on the project.
 - b. Administrative Overheads – to ensure that such expenses shall not exceed 5% of the total CSR expenditure of the Bank for the financial year. Further, these expenses would not include expenses incurred by the Bank towards designing, implementation, monitoring and evaluation. However, expenses which are attributed to the project implementation shall be included in project cost only.

B. CSR Model:

FPB proposes to carry CSR activities directly and/or partnership with section 8 company, registered trust, registered society, government bodies and community representatives for undertaking its CSR activities as permitted under the Companies Act, 2013 and rules made thereunder. FPB's CSR monies will be used for programs which falls under the purview of the activities approved in Schedule VII of the Companies Act.

C. Implementation & Monitoring:

- The CSR Committee of the Bank would identify the focus areas, from amongst the themes specified in Schedule VII of the Act, for initiatives to be undertaken by the Bank as CSR. While the major CSR activities will be undertaken in focus areas identified by the CSR Committee, the Bank may undertake activities that qualify as CSR under Schedule VII of the Companies Act, 2013 and rules relating to CSR, as amended from time to time, based on urgency and need arising out of circumstances such as natural disasters and emergencies.
- Selection of CSR projects or programmes would depend on the areas of focus recommended by the CSR Committee and approved by the Board of Directors, and in activities that are in compliance with the areas or subject as specified in Schedule VII of the Act;
- Impact Assessment – In the event of average CSR obligation of Rs. 10 crores or more in the three immediately preceding financial years, the Company shall ensure that impact assessment through an independent agency is carried out for CSR projects having an outlay of Rs. 1 crore or more and which have been completed not less than 1 (one) year before undertaking the impact study. Expenditure incurred for such assessment shall not exceed 2% of the total CSR expenditure for the financial year or 50 lakh rupees, whichever is higher.

6. Disclosure:

The Bank shall disclose the CSR Policy and the projects approved by the Board of Directors for the financial year on its website.

The Bank shall include the report on CSR Activities as part of the Directors' Report, if applicable, the information as per regulatory reporting requirements and any other statutory requirements. The information shall also be displayed on the Bank's website.

7. Policy Effective Date:

The Company Secretary will be the owner of this policy which will come into effect upon approval by the Board.

Any or all provisions of the CSR Policy would be subject to revision/ amendment in accordance with the applicable notifications/circulars/guidelines as may be issued in Companies Act, 2013 and rules made thereunder, from time to time.

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.

In the event of any conflict between the provisions of this Policy and of the Act or any other statutory enactments, rules, the provisions of such Act or statutory enactments, rules shall prevail over and automatically be applicable to the Bank and the relevant provisions of the Policy would be amended/modified in due course to make it consistent with the law.

Annexure A
Activities related to CSR
Schedule VII
In relevance with section 135

Activities which may be considered by Bank for undertaking Corporate Social Responsibility Activities as mentioned in Schedule VII of the Companies Act 2013 (as amended from time to time) relating to :—

- (i) 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;
- (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 centres 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 48[including contribution to the Clean Ganga Fund setup 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 arts and handicrafts;
- (vi) measure for the benefit of armed force 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 recognized sports, Paralympic sports and Olympics sports;
- (viii) contribution to the Prime Minister's National Relief Fund or Prime Minister's Central 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 Schedule 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.
- (xii) Disaster management, including relief, rehabilitation and reconstruction activities.
