



UBI SERVICES LIMITED
(Wholly Owned Subsidiary of Union Bank of India)

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Policy Name	Corporate Social Responsibility (CSR) Policy
Issue and Effective date	
Date of last review	
Date of next review	
Periodicity of review	Annual
Owner / Contact	Compliance Department
Approver	Board of Directors
Annexures	1

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INTRODUCTION

I. The Corporate Social Responsibility (CSR) Policy of UBI Services Limited (hereinafter referred to as “the Company”) has been developed in accordance with section 135 of the Companies Act 2013 (referred to as “the Act” in this policy) on CSR and in accordance with the CSR rules (hereinafter referred to as “the Rules” in this policy) notified by the Ministry of Corporate Affairs, GOI on 27th February 2014.

II. The Policy shall apply to all CSR projects/ programs undertaken by the Company in India as per Schedule VII and applicable rules and regulations of the Act.

III. The CSR Policy of the Company aims to achieve, consolidate and strengthen Good Corporate Governance including socially and environmentally responsible business practices that balance financial profit with social well being.

SCOPE & OBJECTIVES

- (i) To develop a long-term vision and strategy for the Company’s CSR objectives.
- (ii) Establish relevance of potential CSR activities to the Company’s core business and create an overview of activities to be undertaken, in line with Schedule VII and other applicable rules & provisions of the Act.
- (iii) Actively support and be part of the state’s development agenda to ensure sustainable change.
- (iv) To establish process and mechanism for the implementation and monitoring of the CSR activities for the Company.
- (v) Fostering Rural Development by promoting health and hygiene, education, skills development, livelihoods and environment protection in select villages.
- (vi) Fostering Education with a focus on urban and semi-urban locations in and around our area of operations.
- (vii) Partnering with parent bank in undertaking CSR activities.
- (viii) To implement its CSR activities through the following methods: Directly on its own/ through its own non-profit foundation set- up so as to facilitate this initiative /through independently registered non-profit organisations that have a record of at least three years in similar such related activities.
- (ix) To implement Ministry of Corporate Affairs’ Notification dated 27th February 2014 as follows.
 - (a). the Board of a Company may decide to undertake its CSR activities approved by the CSR Committee, through a registered trust or a registered society or a Company established by the Company or its holding or subsidiary or associate Company under Section 8 of the Act or otherwise.

(b). a company may also collaborate with other Companies for undertaking projects or programs 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 programs in accordance with these rules.

- x) To ensure that Only CSR activities undertaken in India will be taken into consideration and activities meant exclusively for employees and their families will not qualify.

CSR ORGANISATIONAL SETUP

A CSR Committee shall be constituted by the Board. The Committee shall be consisting of three or more directors of which at least one director shall be an independent director. The roles and responsibilities of the CSR Committee shall be to:

- i) Formulate and recommend to the Board, a Corporate Social Responsibility Policy.
- ii) Propose the amount of expenses to be incurred on the above activities.
- iii) Monitor the Corporate Social Responsibility Policy of the Company from time to time.
- iv) Ensure legal and regulatory compliance from CSR view point.
- v) Report to the Stakeholders about various CSR activities undertaken by the Company.
- vi) Review the effectiveness of CSR expenditure periodically.
- vii) Comply with the provisions of the Act with regards to corporate social responsibility.
- viii) The Companies Act, 2013 requires every Company to put out its CSR policy in the public domain. The Committee shall make efforts to comply with the provisions once the web site is designed by the Company.
- ix) To ensure that the Surplus arising out of CSR activities will be reinvested into CSR initiatives and this will be over and above the normal annual figure of 2% of net profit allotted for the year.

The CSR Committee of the Board shall prepare a detailed plan on CSR activities, including the expenditure, the type of activities, roles and responsibilities of various stakeholders and a monitoring mechanism for such activities. The CSR Committee will also ensure that all the kinds of income accrued to the company by way of CSR activities should be credited back to the community or CSR corpus. CSR Committee will be responsible for administering and executing the Policy.

CSR COMMITTEE MEETINGS

The CSR Committee shall meet as often as its members deem necessary to perform the duties and responsibilities. The Quorum for the Committee meetings is two. The Committee shall be chaired by the Director Nominated by the Board, if any, and in the absence of Chairman, the members present may elect the Chairman for the Meeting.

BOARD SUPERVISION

- (i) Approve the CSR Policy and the CSR Expenditure after taking into consideration the recommendations made by the CSR committee.
- (ii) Ensure the CSR spending every financial year of at least 2% of average net profits made during immediately preceding 3 financial years, in pursuance with the Policy.
- (iii) Ensure that CSR activities included in the CSR Policy are undertaken by the Company and that such activities are related to the activities specified in Schedule VII and other applicable rules and provisions of the Act.
- (iv) Ensure disclosure of the contents of the CSR Policy on the Company's website, when designed.
- (v) Directors' Report to include (a) Contents of the CSR Policy and Composition of the CSR committee, (b) An annual report on the CSR in the prescribed format as per Appendix- 3 and (c) Reasons for failure (if any) to spend required amount on CSR activities.

CSR BUDGET

I. The Company Board of Directors shall ensure that in each financial year the Company spends at least 2% of the average Net Profit made during the three immediate preceding financial years. "Net profit" means the net profit as per the financial statement of the company prepared in accordance with the applicable provisions of the Act, but shall not include the following:

- (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.

II. As per section 135 of the Companies Act, the Company will report reasons for under spending of the allocated CSR budget of the current financial year in the template provided by the Ministry of Corporate Affairs. This reporting will be done in the Annual Report of the Company and signed by the Board of Directors.

III. In case of any surplus arising out of CSR projects the same shall not form part of business profits of the Company.

IV. The Company may collaborate or pool resources with other companies and its group companies to undertake CSR activities or any other non-profit organization, if required.

CSR ACTIVITIES, PROJECTS- ANNUAL PROGRAMME

The Company will endeavor to undertake and implement CSR programmes/projects and focus CSR spends on specific pre-determined causes and areas of intervention within the gamut of CSR activities specified broadly in Schedule VII of the Companies Act, 2013 which are as follows.

- (i) eradicating extreme hunger and poverty;
- (ii) promotion of education;
- (iii) promoting gender equality and empowering women;
- (iv) reducing child mortality and improving maternal health;
- (v) combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
- (vi) ensuring environmental sustainability;
- (vii) employment enhancing vocational skills;
- (viii) social business projects;
- (ix) 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
- (x) such other matters as may be prescribed.

The particulars of the proposed projects including implementation year, modalities of execution in the areas/sectors chosen, implementation schedule etc will be placed before the Board by the CSR Committee. Consideration and approval of CSR project/programmes to be undertaken during the year will be in line with the following guidelines:

- 1) It will be ensured that CSR projects are non – discriminatory in nature and do not have any restrictive political or religious affiliations.
- 2) The programmes/projects will be within the areas recommended by the CSR Committee.
- 3) The programmes/projects will be implemented in India and preferably in the areas where the Company /Parent Bank has its presence.
- 4) Programmes/projects that integrate business models with social and environmental priorities and processes in order to create shared value will be encouraged.

- 5) Programmes/projects should not be exclusively for the benefits of employees or their family members or those that are conducted /undertaken exclusively in pursuance of normal business of the Company/Parent Bank.
- 6) The Company will consider programmes/projects closely linked with the principle of sustainable development.
- 7) Any surplus generated out of CSR activities will be ploughed back to the CSR initiatives of the Company /Parent Bank.

CSR TARGET GROUPS

The target group for all the activities shall be persons from weaker sections of the Society. An illustrative list of CSR activities that can be undertaken by the Company are as follows:

- Providing for food, clothing etc to poor school children, orphanages, old age homes, destitute homes, physically challenged people, medical help to poor people in distress etc.
- Distribution of books and other assistance for the poor & disabled school children.
- Organizing health checkup camps and blood donation camps, providing medical equipments etc, initiating awareness drives for prevalent diseases like HIV AIDS etc.
- Other Community Developmental activities benefiting poor & disabled people.
- Green initiatives like tree plantation drives, maintaining greenery, motivating people to replace non-renewable energy sources with renewable ones like solar, wind energy etc.
- Engaging in empowerment activities like vocational trainings, adult education programmes etc.
- Counseling of poor students for taking up various competitive exams.
- Creation of awareness regarding health, sanitation in rural areas, slums etc.
- Awareness regarding rain water harvesting and ground water recharging.
- Aid to Schools to purchase teaching aids, incentives to meritorious needy students, literacy enhancement drives, etc.
- Awareness program for farmers for taking up better cultivation practices, field visits, interaction with scientists, progressive farmers etc.
- Career guidance camps/programmes for poor students.

- Providing basic infrastructure, sanitation etc., at Schools and Hospitals.
- Support for the purchase of water purifiers in schools and colleges.

IMPLEMENTING CSR ACTIVITIES

In the implementation of CSR initiatives, the Company will try to adopt participative principle by involving local institutions and community at large based on shared value principle. The Company officials would assist in implementation and monitoring the CSR activities of the Company. The actual implementation of various CSR activities will be undertaken with the involvement of employees or implementing agencies such as Trust, Societies or companies registered under Section 25 of the Companies Act, 1956/Section 8 of the Companies Act, 2013 or through collaborative projects with other corporates /Parent Bank. In case of implementing agency being 'No profit organization', such an entity shall typically have not less than three years of experience in implementing the CSR initiatives in the respective areas. Based on the Company's internal screening criteria, the implementation partner/s will also be screened to ascertain its/their credibility and ability to execute proposed projects.

In case the CSR Fund is contributed to Prime Minister's National Relief Fund or to the parent bank, the implementation will be taken care of by them.

CSR REPORTING

The Board in its Annual Report shall include the details of the CSR activities undertaken in the Financial Year. The particulars to be stated in the report shall be in the format prescribed in **Appendix – 1**

The CSR Committee shall provide a responsibility statement on the implementation and monitoring of the CSR Policy and that it is in compliance with CSR objectives of the Company, which statement shall form part of the Boards' Report.

WEBSITE DISPLAY

The Companies Act, 2013 requires every Company to put out its CSR policy on its website, if any. The Committee shall make efforts to comply with the provisions as and when web site is designed by the Company.

REVIEW & AUDIT

1. A robust Company mechanism for evaluation will be put in place.

2. The purpose of the evaluation will be clearly identified with the objective to understand the difference between the achieved outcome and the expected outcome and the reasons behind the difference and to take corrective steps if any. There shall be clarity about the scope of the program and the need before evaluations are undertaken.
3. The CSR Committee will be authorized to evaluate CSR activities based on reports by the Company.
4. The internal audit by Parent Bank shall cover audit of CSR activities of the Company.

REPORTING TO THE CSR COMMITTEE

The Company shall report the CSR activities undertaken by the Company, the amount spent thereon and related details as and when the meeting of the CSR Committee takes place.

REVIEW OF CSR POLICY

The Policy may be reviewed and amended from time to time as and when required.