

## CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Version – 4.0

Policy No – YSIL-SEC-005

Owner – Company Secretarial Department

Information Classification - Public

### Document Control

| Version | Author                         | Reviewer      | Approved By        | Date           |
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## Change History

| Sr. No | Old Version | New Version | Change Details  |
|--------|-------------|-------------|---|
| 1.     | 1.0         | -           | New Policy introduced as per the provisions of Section 135 of the Companies Act, 2013   |
| 2.     | 1.0         | 2.0         | <p>1. Clause added under focus area which empowers the Company to undertake any activity / project which is aligned with Schedule VII of the Act.</p> <p>2. Under the point “Delivery and Implementation”, it was expressly clarified that the Company shall implement CSR activities either directly through implementing agency / partner as authorized by the Act.</p> <p>3. Under “General Clauses”, it was specifically defined the periodicity of review of policy – once in every financial year.</p> <p>4. In addition to the above, few other cosmetic changes were carried out.</p> |
| 3.     | 2.0         | 3.0         | The Company ceased to be Wholly-Owned Subsidiary of YES Bank Limited. Accordingly, the words “Wholly Owned Subsidiary of YES Bank Limited is replaced with “Subsidiary of YES Bank Limited”, wherever appearing in the Policy.  |
| 4.     | 3.0         | 4.0         | <p>1. Grammatical changes in Clause No. 1 (Purpose) and Clause No. 2 (Approach towards Corporate Social Responsibility)</p> <p>2. New Clause No. 4 (Constitution of CSR Committee) added</p> <p>3. New Clause No. 7 (CSR expenditure) containing the provisions of the Companies Act added.</p> <p>4. Heading of Clause No. 8 changed from “Monitoring” to “Monitoring and Reporting”</p> <p>5. Separate Clause No. 11 (Review of Policy) added</p>   |

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## 1. Purpose:

YES Securities (India) Limited ('YSIL' or 'the Company') aims to enhance value creation and is committed towards playing a larger role in India's sustainable development by embedding wider economic, social and environmental objectives. The Company being a subsidiary of YES BANK Ltd, this policy is in line with the policy adopted by its holding company.

## 2. Approach towards Corporate Social Responsibility:

This policy has been framed in accordance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

To fulfil its CSR objectives through the following broad level actions:

- **Promote** principles of social responsibility and inclusive growth through awareness and support.
- **Invest** in socially and environmentally responsible activities to create positive impact.
- **Engage** with stakeholders to further the sustainability agenda of the Company and empower with knowledge.
- **Collaborate** with likeminded institutions and forge partnerships towards addressing the needs of the stakeholders.
- **Monitor** the environmental and social investment of the Company through structured governance and transparent performance indicators.

## 3. Applicability:

Policy applies to YSIL's corporate offices and branch locations within India.

## 4. Constitution of Corporate Social Responsibility Committee (CSR Committee):

Keeping in line with section 135 of the Companies Act, 2013, the Board of Directors of the Company has formed a Corporate Social Responsibility Committee (CSR Committee), to inter alia, carry out the following functions:

- a. to formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating activities to be undertaken as specified in prescribed Schedule;
- b. to recommend the amount of expenditure to be incurred on the activities referred to in clause (a) above;
- c. to monitor the Corporate Social Responsibility Policy, as approved by the Board of Directors, from time to time.
- d. to formulate and recommend to the Board an Annual Action Plan, which shall include the following :
  - i. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
  - ii. the manner of execution of such projects or programmes;
  - iii. the modalities of utilisation of funds and implementation schedules for the projects or programmes;
  - iv. monitoring and reporting mechanism for the projects or programmes; and
  - v. details of need and impact assessment, if any, for the projects undertaken by the company.
- e. recommend changes to the Board of Directors, if any, needed in the annual action plan with reasonable justification to that effect.

## 5. Focus areas:

YSIL will undertake CSR activities that align with the following focus areas:

- Livelihood security and enhancement
  - Education
  - Skills/Employability training
- Healthcare and Social welfare
- Environment Sustainability
- Arts/Sports and culture

Any other activity/project which is aligned with Schedule VII of the Companies Act, 2013 as may be approved by the Board of Directors, basis the recommendation of the CSR Committee.

## 6. Delivery and implementation:

A CSR Annual Action plan will include project overview mapped to the focus areas with clear measurable modalities.

This plan will be recommended by the CSR Committee to the Board of Directors for its approval from time to time.

YSIL shall implement CSR activities either directly or in partnership with or through the implementing partner/agency as authorized under the Companies (Corporate Social Responsibility Policy) Rules, 2014.

A background check shall be carried out for organization that YSIL proposes to partner with for implementing CSR projects. This check is aimed at ensuring long term viability of the partnership and to minimize risks for YSIL. The due diligence shall include an assessment of regulatory compliance, financial records, governance system and relevant experience for implementing project(s) under consideration.

## 7. CSR Expenditure:

- The annual CSR Budget will be approved by the Board of Directors on recommendation of the CSR Committee. Two percent of the average net profits of the Company for the three immediately preceding financial years will be earmarked as CSR Budget.
- Any surplus arising out of the CSR activities will not form part of the business profit of the Company and
  - will be ploughed back into the same project; or
  - transferred to an earmarked 'Unspent CSR Account' and spent in pursuance of CSR policy and annual action plan of the Company; or
  - transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

In case the Company spends an amount in excess of requirement of the CSR Budget specified for the said financial year, such excess amount may be set off against the requirement to spend for CSR in immediate succeeding three financial years. In such case, the Board of Directors will pass a resolution to that effect.

## **8. Monitoring and Reporting:**

- For effective implementation of the CSR initiatives undertaken, YSIL shall have such monitoring mechanism as may be prescribed by its CSR Committee.
- The progress of CSR activities under implementation will be reported to the CSR Committee, on a periodic basis.
- An yearly report on CSR activities will be included in YSIL's Annual Report.
- The surplus arising out of the CSR activities will not be treated as part of business profits of YSIL.

## **9. Life of policy:**

Effective from the date of approval until the same is further amended/cancelled as the case may be.

## **10. General Clauses:**

- In case of any ambiguity or clarification with regard to any provision of YSIL's CSR Policy and in respect of any matters not covered herein, a reference may be made to the CSR Committee of YSIL. In all such matters, the interpretation and decision of the CSR Committee shall be final.
- The provisions of the CSR Policy would be subjected to revision/ amendment in accordance with the guidelines on the subject as may be issued by Government, from time to time.

YSIL reserves the right to amend, modify, cancel, add, or alter any provisions of this Policy subject to approval of the Board.

## **11. Review of the Policy:**

The Policy shall be reviewed by the CSR Committee and the Board of Directors atleast once in each financial year and in case there are any regulatory changes requiring modifications to the Policy, the Policy shall be amended at the next possible opportunity. However, the amended regulatory requirements will supersede the Policy till the time Policy is suitably amended.