

BANCO PRODUCTS (INDIA) LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

INTRODUCTION:

The concept of Corporate Social Responsibility (“the CSR”) has gained prominence from all avenues. Organizations have realized that the Government alone will not be able to get success in its endeavor to uplift the downtrodden of society. With the rapidly changing corporate environment, more functional autonomy, operational freedom etc., Banco Products (India) Limited (“the Company”) has adopted CSR as a strategic tool for sustainable growth. For the Company in the present context, CSR means not only investment of funds for social activities but also integration of Business Processes with Social Processes.

OBJECTIVE:

The main objective of CSR policy is to lay down guidelines to make CSR a key business process for sustainable development of the Society. It aims at supplementing the role of the Government in enhancing welfare measures of the society based on the immediate and long term social and environmental consequences of their activities.

APPLICABILITY:

- o The CSR Policy has been developed in consonance to Section 135 of Companies Act, 2013 (“the Act”) on CSR and in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (“CSR Rules”) notified by the Ministry of Corporate Affairs.
- o The policy shall apply to all CSR projects / programmes undertaken by the Company as per Schedule VII of the Act.

CSR COMMITTEE:

The composition of the CSR committee will consist of three or more directors of which, at least one will be an independent director.

LIST OF ACTIVITIES/PROJECTS:

The Committee shall carry out activities as per Section 135 of the Companies Act, 2013, Schedule VII and rules framed thereunder including any amendments thereof.

- o Eradicating hunger, poverty and malnutrition, promoting preventive health care including preventive health care and sanitation including contribution to Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- o Promotion education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- o Promoting gender equality and 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;

- o 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;
- o 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.
- o Measures for the benefit of armed forces veterans, war widows and their dependents;
- o Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;
- o Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and welfare of the Schedule Castes, the Schedule Tribes, other backward classes, minorities and women;
- o Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- o Rural development projects.

ROLE OF THE COMMITTEE:

- o To direct CSR Programmes, inter alia, towards achieving one or more abovementioned activities.
- o To develop the required capability and self-reliance of beneficiaries at the grass roots, especially of women, in the belief that these are prerequisites for social and economic development;
- o To engage in affirmative action interventions such as skill building and vocational training, to enhance employability and generate livelihoods for persons from disadvantaged sections of the society;
- o To pursue CSR Programmes primarily in areas that fall within the economic vicinity of the Company's operations to enable close supervision and ensure maximum development impact;
- o To carry out CSR Programmes in relevant local areas to fulfill commitments arising from requests by Government / regulatory authorities and to spend monies through such administrative bodies of the Government and/or directly by way of developmental works in the local areas around which the Company operates;
- o To provide equal opportunities to beneficiaries of the Company's CSR Programmes as vendors or employees on merit;

GOVERNANCE:

- o Every year, the CSR Committee will place for the Board's approval, a CSR Plan delineating the CSR Programmes to be carried out during the financial year and the specified budgets thereof. The Board will consider and approve the CSR Plan with any modification that may be deemed necessary.
- o The CSR Committee will assign the task of implementation of the CSR Plan within specified budgets and timeframes to such persons or bodies as it may deem fit.
- o The persons/bodies to which the implementation is assigned will carry out such CSR Programmes as determined by the CSR Committee within the specified budgets and

timeframes and report back on the progress thereon at such frequency as the CSR Committee may direct.

- o The CSR Committee shall review the implementation of the CSR Programmes once a quarter and issue necessary directions from time to time to ensure orderly and efficient execution of the CSR Programmes in accordance with this Policy.
- o Once every six months the CSR Committee will provide a status update to the Board on the progress of implementation of the approved CSR Programmes carried out during the six month period. It shall be the responsibility of the CSR Committee to keep the Board apprised of the status of implementation of the same.
- o At the end of every financial year, the CSR Committee will submit its report to the Board.

CSR REPORTING:

- o The Board's Report shall include an annual report on CSR containing particulars as prescribed in CSR Rules.
- o In case of any default in respect of CSR spending, Board is required to disclose reasons in its report.

CSR EXPENDITURE:

Company shall spend, in every financial year, at least 2% of the average net profits made during the 3 immediately preceding financial years. CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR Programmes undertaken in accordance with the approved CSR Plan. Moreover, any surplus arising from any CSR Programmes shall be used for CSR. Accordingly, any income arising from CSR Programmes will be netted off from the CSR expenditure and such net amount will be reported as CSR expenditure.

DISCLOSURE:

Company should disclose the contents of policy on its website and in the Annual Report.

DISCLAIMER:

- o The activities undertaken by the Company in pursuance of its normal course of business shall not be considered as CSR activities.
- o The surplus arising out of the CSR projects or programs or activities shall not form part of the business profits of the Company.

For Banco Products (India) Limited

Sd/-

Chairman & Managing Director