

# Corporate social Responsibility Policy

**BESTEX MM INDIA PRIVATE LIMITED**

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In accordance with the provisions of Section 135 of Companies Act, 2013, the Corporate Social Responsibility (CSR) Committee of Bestex MM India Private Limited (“the Company”) was re-constituted by the Board of Directors of the Company at their meeting held on April 23, 2018.

The original composition of the said Committee comprised three directors viz., Mr. Sadaki Tanaka (Chairman) along with Mr. Koji Hotta and Mr. Yoshinori Ichikawa.

Now the composition of the CSR Committee comprises Mr. Sadaki Tanaka (Chairman), Mr. Koji Hotta and Mr. Takaaki Tsuiki w.e.f April 23, 2018.

The composition of the Committee can be changed by the approval of the Board of Directors of the Company as necessary.

## 1. Objective

This Policy has been formulated in compliance with Section 135 of the Companies Act, 2013 read along with the applicable rules thereto.

## 2. CSR Vision

The company’s CSR philosophy is ‘**Do Good to Do Well and Do Well to Do Good**’. BMI’s vision is to be a responsible industry leader and demonstrate environmental, transparent and ethical behavioral practices which will contribute to the economic and sustainable development within the company, industry, and society at large.

At BMI, CSR has effectively evolved from being engaged in passive philanthropy to corporate community investments, which takes the form of a social partnership initiative creating value for stakeholders.

The Company’s CSR activities build an important bridge between business operations and social commitment evolving into an integral part of business functions, goals and strategy.

## 3. Scope

This Policy shall apply to all CSR projects/Programmes/activities undertaken by the Company in India as per Schedule VII of the Act.

## 4. Definition

a. Corporate Social Responsibility (CSR) means and includes but is not limited to:

Projects or programs relating to activities specified in Schedule VII to the Companies Act, 2013 (‘Act’).

b. CSR Committee means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act.

- c. CSR Policy relates to the activities to be undertaken by the Company as specified in Schedule VII to the Act and the expenditure thereon.
- d. Net Profit means the net profit of the Company as per its financial statement prepared in accordance with applicable provisions of the Act (Section 198), but shall not include the following viz;
  - (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 net profit in respect of a financial year for which the relevant financial statements were prepared in accordance with the provisions of the Companies Act, 1956 shall not be required to be re-calculated in accordance with the provisions of the Act.

## **5. Role of CSR Committee**

- a. Formulate and recommend to the Board, a Corporate Social Responsibility Policy in compliance with Section 135 of the Companies Act, 2013.
- b. Identify the activities to be undertaken as per Schedule VII of the Companies Act, 2013.
- c. Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.
- d. Recommend the amount of CSR expenditure to be incurred on the earmarked CSR activities.
- e. Monitor the implementation of the CSR Policy from time to time and report the result to the Board of the Company.
- f. Such other functions as the Board may deem fit.

## **6. Role of the Board**

- a. After taking into account the recommendations made by the CSR Committee, approve the CSR Policy for the Company
- b. Ensure that the CSR activities included in this Corporate Social Responsibility Policy are undertaken by the Company.
- c. The Board of the 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 under section 8 of the Act by the company, either singly or along with its

holding or subsidiary or associate company, or along with any other company or holding or subsidiary or associate company of such other company, or otherwise provided that – If such trust, society or company is not established by the company, either singly or along with its holding or subsidiary or associate company, or along with any other company or holding or subsidiary or associate company of such other company, it shall have an established track record of three years in undertaking similar programs or projects/activities;

- d. Ensure that in each financial year the Company spends at least 2% of the average net profits of the company made during the three immediate preceding financial years, calculated in accordance with Section 198 of the Act, in pursuance of its CSR policy. Further, while spending the amount earmarked for CSR activities, preference should be given to local areas and areas around the Company where it operates
- e. As per Section 135 of the Act, specify the reasons for under spending the CSR amount in the Board's Report.
- f. Recommend to the General Shareholder Meeting the amount of CSR expenditure budget and the details of the earmarked CSR activities for approval.

## **7. CSR Activities for implementation**

The CSR Activities would be chosen for implementation by the Company in compliance with the provisions of Section 135 read together with Schedule VII of the Companies Act, 2013.

## **8. Execution of projects/programs**

The company may undertake one or more projects or programs or activities provided in the policy either as its own or through any implementation agency. It shall be the endeavor of the company to build up necessary capabilities to implement the CSR projects on its own in the long run. It can also acquire the services of experts in respective fields by appointing them as consultants in a particular program or project. Where implementation agencies are appointed for a particular project, the company shall acquire the necessary skills to run the program on its own within 3-5 years from its implementation where it is a continuing program. While engaging a third party agency for implementing a project or program covered in the CSR policy, the CSR committee shall ensure that they have credible standing and experience in the respective fields for at least three preceding financial years.

## **9. CSR Activities in Partnership**

The company may undertake programs in collaboration with other companies only in cases where such programs are separately reportable in the CSR report of participating companies.

## **10. CSR Monitoring & Reporting framework**

In compliance with the Act and to ensure funds spent on CSR Activities are creating the desired impact on the ground a comprehensive Monitoring and Reporting framework has been put in place.

The CSR Committee shall monitor the implementation of the CSR Policy through periodic reviews of the CSR activities.

The respective CSR personnel will present their annual budgets along with the list of approved CSR activities conducted by the Company to the CSR Committee together with the progress made from time to time as a part of the evaluation process under the monitoring mechanism.

## **11. CSR Expenditure**

The CSR activities undertaken in India only shall amount to CSR Expenditure.

CSR Expenditure shall include all expenditure including contribution to corpus for CSR activities approved by the Board on the recommendation of the CSR Committee but does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act. The annual budget for CSR expenditure and its details must be approved by the General Shareholder Meeting.

## **12. Disclosure of the policy**

The CSR policy recommended by the CSR Committee and approved by the Board shall be displayed on the Company's website and shall be disclosed in the Board's report as well. .

## **13. CSR Reporting**

The Board Report of a Company shall include an Annual Report on CSR containing particulars specified in Annexure to the CSR Rules as per the prescribed format.

## **14. Frequency of meeting**

The meetings of the Committee could be held at such periodic intervals as may be required.

## **15. Quorum**

Minimum two (2) members shall constitute a quorum for the Committee meeting.

## **16. Chairman**

In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

## **17. Secretary**

The Company Secretary of the Company shall act as Secretary of the Committee.

## **18. Minutes of the committee meeting**

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee and tabled at the subsequent Board and Committee meeting.

## **19. Miscellaneous**

This policy shall be updated from time to time, by the Company in accordance with the amendments, if any, to the Companies Act, 2013, rules made thereunder or any other applicable enactment for the time being in force.

## Annexure A

### Process for setting CSR budget

- a. After the completion of audit, the minimum CSR expenditure required by the Act will be calculated.
- b. The company will decide the share between BMI independently spending and jointly spending with HCIL. The share will be tentatively set to be 70% for BMI independently spending and 30% jointly spending with HCIL. The share can be changed depending on the total CSR spending and availability of CSR activities.
- c. The respective CSR personnel (Head of Human Resource and General Affairs) will identify the CSR activities / Programmes while doing the activities independently and will coordinate with HCIL while doing activities jointly.
- d. The respective CSR personnel will prepare the list of earmarked CSR activities to be presented to CSR committee before AGM and will proceed further after for the approval by the Board of Directors.
- e. The respective CSR personnel will monitor the spending of CSR budget and will report in prescribed format to CSR committee.



## < Schedule VII >

Activities which may be included by companies in their Corporate Social Responsibility Policies

Activities relating to:—

- (i) Eradicating hunger, poverty and malnutrition promoting healthcare 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 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) Measures for the benefit of armed forces veterans, war widows and their dependents;
- (vii) Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- (viii) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- (ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- (x) rural development projects;
- (xi) Slum area development.

As per the explanation 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.