



BEMCO HYDRAULICS LIMITED

L51101KA1957PLC001283)

(CIN:



REGD. OFFICE & WORKS :

UDYAMBAG, BELGAUM - 590 008. KARNATAKA, INDIA

Email:- cs@bemcohydraulics.net

www.bemcohydraulics.net

Tel: - 91-831-2441980,

Web :- 2440270

Fax :- 91-831-2441263

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. Preface

Corporate Social Responsibility (CSR) is the way and mean through which corporates can repay the obligations made by the Society by contributing the resources in its various forms as required for the efficient operation of the Business. Corporate Social Responsibility is strongly connected with the principles of sustainability. Organization should make decisions based not only on financial or operational factors, but also on the social and environmental consequences. Therefore, it is the core corporate responsibility of Bemco Hydraulics Limited to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders.

2. Objective and Purpose

The key purpose of this Policy is to:

- Outline the development areas in which the Company shall get involved in.
- Define governance structure for CSR management within the Company.
- Serve as a guiding document aiding in identification, execution and monitoring the CSR projects.

3. Alignment with Bemco Hydraulics Limited Values

We believe to drive our CSR policy with the same values which directs Bemco Hydraulics Limited. Hence, this CSR Policy absorbs Bemco Hydraulics Limited core values and is aligned in the following manner to its CSR strategy:

- Being Accountable for what we do: Bemco Hydraulics Limited considers itself accountable for contributing back in a meaningful way to the society/ Nation.
- Embrace Diversity: Bemco Hydraulics Limited believes in embracing diverse views and opinions which lead to a better solution. Accordingly, for execution of its CSR objectives Bemco Hydraulics Limited plans to partner, where necessary, with NGOs/ other charitable organizations to meet the CSR objectives.
- Collaborate to Win: Collaborating with other NGOs/ charitable organizations, with footprint/ expertise in areas selected, is a key aspect of Bemco Hydraulics Limited strategy to make a positive impact in its CSR activities.

4. Applicability

CSR Policy is applicable to Bemco Hydraulics Limited which are mandated with the CSR expenditure obligations as per Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

5. Scope of CSR Policy

This Policy applies to all CSR projects that will be undertaken by Bemco Hydraulics Limited and shall fulfill all the requirements of Section 135 of the Companies Act, 2013. Bemco Hydraulics Limited shall ensure all these activities are over and above the normal course of business and are in line with Schedule VII of the Companies Act, 2013. This Policy will be periodically reviewed and updated in line with the relevant codes of legislation and best practices that can be adopted by Bemco Hydraulics Limited.

6. Areas to Emphasize

Bemco Hydraulics Limited has broadly selected four areas of focus under its CSR activities, as under:

- To direct CSR Programmes, inter alia, towards achieving one or more of the following - enhancing environmental and natural capital; supporting rural development; promoting education; providing preventive healthcare, providing sanitation and drinking water; creating livelihoods for people, especially those from disadvantaged sections of society, in rural and urban India; preserving and promoting sports;
- 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;
- 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 society;
- 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;
- To carry out CSR Programmes in relevant local areas to fulfil commitments arising from requests by government/regulatory authorities and to earmark amounts of monies towards "Enterprise Social Responsibility (ESR)" activities and to spend such monies through ESR/CSR Cells of such administrative bodies of the government and/or directly by way of developmental works in the local areas around which the Company operates;
- To provide equal opportunities to beneficiaries of the Company's CSR Programmes as vendors or employees on merit;
- To promote sustainability in partnership with industry associations, like the Confederation of Indian Industry (CII) through the CII-ITC Centre of Excellence for Sustainable Development, in order to have a multiplier impact.

Medical and other Welfare

- Providing medical relief and rehabilitation to communities who either don't have access to quality health care or cannot afford it;
- Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- 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;
- Measures for the benefit of armed forces veterans, war widows and their dependents;
- Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
- 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;
- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- Rural development projects;
- Slum area development.

Explanation – for the purposes of this item, 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.

Emergencies and Natural Calamities

- Bemco Hydraulics Limited shall provide relief, support, rehabilitation etc. in case of natural calamities or emergencies.

7. Undertaking CSR activities:

Bemco Hydraulics Limited will undertake CSR activities either directly or in partnership with not for profit, registered trusts/ societies/other body corporates who are engaged in activities or programs which fall within the purview of Bemco Hydraulics Limited CSR Policy and areas of focus, or directly through a trust it may set up in future for the purpose or both.

8. Governance Structure:

A governance structure at Bemco Hydraulics Limited is responsible for implementing and administering CSR Policy, in compliance with the requirements of Section 135 of the Companies Act, 2013. The Board of Directors of the Company who are ultimately accountable for the CSR projects undertaken by BemcoHydraulicsLimited.

9. CSR Board:

The Board of Directors shall be responsible for:

- Review of CSR activities in the Company.
- Formulation of CSR Policy.
- Monitoring of implementation of CSR Policy.
- Recommend to the modifications to CSR Policy as and when required.
- Appraise to the CSR expenditure done during the year.

10. CSR Team:

Dedicated CSR team shall be constituted from among the employees at Bemco Hydraulics Limited, for implementing the CSR Policy and shall work under the guidance of CSR Committee/ board and will be mainly responsible for:

- Execution of CSR Policy.
- Identify projects and key initiatives pursuant to CSR Policy.
- Facilitating allocation of funds to the projects as identified for CSR activities.
- Monitoring CSR Projects to establish effectiveness of CSR efforts and appraise the same to CSR Committee.
- Compilation of information & preparation of Annual Reports on CSR activities and presenting the same to CSR Committee.
- Any other activity necessary to ensure achievement of CSR objectives.

11.CSR Budget:

The total budget for the CSR projects in each financial year will be decided by the board in accordance with applicable provisions of the Act and the CSR Rules. The board shall propose to distribute the budget among the Areas to Emphasize or such of them as the CSR Committee may deem fit in each financial year, in such proportion and in a manner that meets the objectives of the CSR Policy.

For any reason if the CSR team is not able to follow the allocation agreed on in any of the Areas to Emphasize described above, the same shall be utilized in such other Areas to Emphasize as the CSR team may recommend with the reasons therefor, and the board may approve.

12. Implementation Process

CSR Contributions:

The Company will endeavour to contribute and spend at least 2% of the average net profits of the Company made during the three immediately preceding financial years or such amount as may be recommended by the CSR Committee/ Board from time to time in pursuance of this Policy.

13. Compliance, Monitoring and Reporting

13.1 Compliance

CSR Team will plan, implement, monitor and manage all CSR projects & activities for Bemco Hydraulics Limited and will work closely with the Board.

The CSR Team will formulate implementation plans for the projects specifying the following:

- Activities to be undertaken.
- Budgets proposed.
- Time frame for implementation.
- Responsibilities and authorities for implementation.
- Results expected to be achieved post implementation

13.2 Monitoring

The CSR Team will monitor the implementation and progress of the approved projects through appropriate mechanisms such as site visits, review meetings and progress reports etc. Mechanisms to track data and monitor projects will be established to ensure the transparency and efficiency of the implementation process. The projects will be evaluated against the milestones defined in the implementation plan of the project.

13.3 Reporting

The CSR Committee \Board, based on reports presented by the CSR Team, will annually publish report on the CSR projects as a part of the Director's report. The report will disclose information in the format as prescribed by the Section 135 of the Companies Act 2013. The CSR Committee shall also submit a responsibility statement to the Board that the implementation and monitoring of the CSR Policy is in compliance with the approved CSR Policy of the Company.

The CSR Policy on being approved by the Board shall be displayed on the website of the Company and any modifications carried out from time to time shall also be updated on the website of the Company respectively.

14. Treatment of Surplus

Any surplus generated from CSR projects undertaken by Bemco Hydraulics Limited will be tracked and channelized into Bemco Hydraulics Limited CSR corpus. These funds will be further used in development of the CSR projects and will not be added to the normal business profits.

15. Amendments to the CSR Policy:

The Board of Directors of the Company shall have the powers to revise/modify/amend this Policy from time to time, as the Board may think fit, based on the recommendations to be made by the CSR Committee to confirm to the revision/amendment, if any, to be made to the CSR Rules by the MCA, under the Act.