

BNK CAPITAL MARKETS LIMITED

CIN: L34202WB1986PLC040542

Regd. Office: Duncan House, 31, Netaji Subhas Road, Kolkata - 700 001

Tel No: (033) 6625 1000/1500; TELEFAX: (033): 22306844;

INTRODUCTION

This Policy is in substitution of the Corporate Social Responsibility Policy adopted by the Board of Directors of BNK Capital Markets Limited ('BNK' OR 'the Company').

OVERVIEW AND CSR PHILOSOPHY

BNK Capital Markets Limited ("the Company") believes in a philosophy of adopting sustainable business practice which are beneficial to various stakeholders including the society. Through its corporate values, the Company constantly endeavors to actively contribute to the social and economic development of the communities in which it operates. Along with sustained economic performance environmental and social stewardship is also a key factor for holistic business growth.

The Company has always believed in giving back to the society and recognized its role and responsibility as a corporate citizen. The Company has social values ingrained into its culture and manner of working.

To further the Company's CSR philosophy, a formal policy on CSR is being formulated to align its practices with requirements of Companies Act, 2013 and rules made thereunder.

DEFINITIONS

In this Policy, unless the context otherwise requires or if something is not defined, the following words, terms, expressions and derivations therefrom shall have the meanings assigned to them in the Act:

- a. "**Act**" means the Companies Act, 2013 including rules made thereunder and amended, from time to time;
- b. "**Administrative overheads**" means the expenses incurred by the Company for 'general management and administration' of Corporate Social Responsibility functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;
- c. "**Board**" means the Board of Directors of the Company;
- d. "**Corporate Social Responsibility (CSR)**" means the activities undertaken by the Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in the Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any amendment thereto or re-enactment thereof) [hereinafter referred to as 'the Rules'];
- e. "**CSR Committee**" means the Corporate Social Responsibility Committee of the Board and, referred to in section 135 of the Act;

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- f. **"CSR Policy"** means this Policy, containing the approach and direction given by the Board, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;
- g. **"Net Profit"** means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act read with the Rules;
- h. **"Implementing agency"** would mean and include any of the following agencies or organisations - through which the Company undertakes its CSR projects and activities and which satisfies the applicable stipulations laid down in the Act and/or the Rules:
- a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or through civic society partnering with any company registered with specific purpose to meet the objectives of social developments.
 - a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
 - any entity established under an Act of Parliament or a State legislature; or
 - a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities
- i. **"Ongoing Project(s)"** means a multi-year project, undertaken by the Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the Board based on reasonable justification.

CSR ACTIVITIES TO BE UNDERTAKEN

The Company's focus is to implement programme that aims at community development and inclusive growth, to undertake social responsibilities by promoting harmonious social development.

The Company shall undertake CSR activities, project and programs as specified in Schedule VII of the Companies Act, 2013 and Rules made thereunder or any amendment thereof and in pursuance of any circulars, notifications, guidelines issued by Ministry of Corporate Affairs from time to time in this regard.

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BUDGETS

A specific budget is to be allocated for CSR activities in each financial year so that the Company spends every year a minimum amount as may be specified in the Act and/or the Rules (which currently is 2% (two per cent) of the average net profits made during the 3 (three) immediately preceding financial years) or such higher amount as may be recommended by the CSR Committee and approved by the Board.

Any surplus arising out of the CSR activities shall not form part of the business profit of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and Annual Action Plan of the Company or transfer such surplus amount to a Fund specified in Schedule VII of the Act, within a period of 6 (six) months of the expiry of the Financial Year.

Excess CSR expenditure could be set off in succeeding three financial years, subject to the conditions mentioned in the Act. The CSR amount may be spent by the Company for creation or acquisition of a capital asset, in the manner that may be prescribed in the Act.

The unspent CSR expenditure pertaining to an annual CSR project shall be transferred to any fund in Schedule VII of the Act, within 6 (six) months from the end of concerned financial year. If the unspent CSR expenditure pertains to an Ongoing Project, the amount has to be transferred to a separate bank account to be called "Unspent CSR Account" for that financial year to be opened with a scheduled bank within 30 (thirty) days of the end of the concerned financial year and is to be spent on that Ongoing CSR Project in pursuance of its obligations towards the CSR Policy, within a period of 3 (three) financial years. In case the Company is unable to spend the CSR expenditure on the Ongoing project in pursuance of its obligation towards the CSR Policy within the prescribed period of 3 financial years, it would be required to transfer the amount so unspent to any fund specified in Schedule VII of the Act, within 30 (thirty) days from the date of completion of the third financial year.

CSR COMMITTEE

The Board of Directors of the Company shall constitute a committee called the "Corporate Social Responsibility Committee" ("CSR Committee") in accordance with the provisions of Companies Act, 2013 and rules made thereunder. The CSR Committee will consist of 3 or more directors or such other number of directors as the Board of Directors of the Company may determine from time to time. The Board of Directors may change the composition of the CSR Committee from time to time in such manner as it thinks fit.

In case of ongoing project, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

Subject to provisions of Companies Act, 2013 and rules made thereunder, the CSR Committee may meet at such intervals, in such manner and may carry out matters in such manner and function generally as per such guidelines as it deems fit.

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The CSR Committee shall have, inter alia, the following roles, powers and responsibility:

- (i) Formulate and recommend the CSR Policy and any amendments therein to the Board of Directors of the Company
- (ii) Develop and approve various CSR projects, programs and activities to be undertaken from time to time either directly by the Company or through other entities.
- (iii) Determine modalities of execution of such CSR projects, programs and activities
- (iv) Authorise and recommend CSR amount to be spent from time to time to the Board in compliance of provisions of the Companies Act, 2013.
- (v) Carry out all such acts, deeds, matters and things as may be required in connection with aforesaid matters and generally for any matter connected with the CSR policy of the Company

ANNUAL ACTION PLAN

The CSR Committee shall also formulate and recommend to the Board, an Annual Action Plan, which shall include the following, namely: -

- the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- the execution of the projects or programmes in the specified manner;
- the modalities of utilization of funds and implementation schedules for the projects or programmes;
- monitoring and reporting mechanism for the projects or programmes; and
- details of need and impact assessment, if any, for the projects undertaken by the company.

The Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

The Board shall satisfy itself that the funds disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer shall certify so, in the format as per **Annexure A**, to the effect.

This Policy is duly amended by the Board on *24th January 2022* and shall be effective from that day itself and shall be reviewed by the Board as and when required.

For & on behalf of the Board of Directors
BNK Capital Markets Limited

Sd/-

Sunil Bhandari
Chairman of Board

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Annexure A

CERTIFICATION PURSUANT TO RULE 4(5) OF COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) RULES, 2014

I _____ Chief Financial Officer of the Company to the best of my knowledge and belief
, certify that:

1. I have reviewed the Corporate Social Responsibility ("CSR") Policy of the Company and to the best of my knowledge and belief provides that the Company has allocated / disbursed the prescribed CSR Expenditure i.e. 2 (Two) per cent of the Average net profit of the Company of the last three financial years.
2. The disbursement, to the best of my knowledge and belief, is adequately appropriated for various projects, standalone or on-going, directly or through implementing agencies, as approved by the Board of the Directors of the Company and per the annual action plan of the Company.
3. I, to the best of my knowledge and belief and per utilisation report(s) received from the implementing agency(ies), affirm that the CSR funds so disbursed as mentioned above, have been utilised for the purpose and manner as approved by the Board of Directors of the Company, pursuant to Rule 4(5) of Companies (Corporate Social Responsibility Policy) Rules, 2014.

For **BNK Capital Markets Limited**

Chief Financial Officer

Date:

Place: