



BANCA SELLA
CHENNAI BRANCH - IT DIVISION

CORPORATE SOCIAL RESPONSIBILITY (“CSR”) POLICY
BANCA SELLA S.p.A. – CHENNAI BRANCH

Author	CSR Committee
Approved By (yet to)	BSE Board of Directors
Status	Approved
Version	Ver 1.0
Date of Document	03/02/2016

INDEX

1. Introduction:	3
2. Aims & Objectives	3
3. Committee Composition	3
4. Committee Meetings & Quorum	3
5. Duties & Responsibilities of CSR Committee	4
6. Responsibility of the Board of BSE Italy	4
7. CSR Expenditure	4
8. CSR Activities – Projects	5
9. Implementing CSR Activities	5
10. Core Team Capabilities	6
11. CSR Reporting.....	6
12. Website Display.....	6
13. Review and Audit	6
14. Amendments.....	7
Annexure 1 – Schedule VII of Companies Act 2013	8
Annexure 2 – Format of Reporting	9
Annexure 3 – Format of Reporting by CSR Committee to BSE Board.....	10

1. Introduction:

Corporate Social Responsibility (CSR) is the Company’s commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical.

Banca Sella S.p.A. – Chennai Branch (BSE Chennai) in India is committed to undertake CSR activities in accordance with the provisions of Section 135 of the Indian Companies Act, 2013 and related Rules.

BSE Chennai believes that corporate development has to be inclusive and every corporate has to be responsible for the development of a just and humane society.

BSE Chennai commits itself to contribute to the society in ways possible for the organization and has set up its core CSR team, as a means for fulfilling this commitment .

2. Aims & Objectives

- I. To develop a long-term vision and strategy for BSE Chennai’s CSR objectives.
- II. Establish relevance of potential CSR activities to BSE Chennai’s core business and create an overview of activities to be undertaken, in line with Schedule VII of the Companies Act, 2013.
- III. BSE Chennai shall promote projects that are :
 - a. Sustainable and create a long term change;
 - b. Have specific and measurable goals in alignment with Gruppo Banca Sella philosophy;
 - c. Address the most deserving cause or beneficiaries.
- IV. To establish process and mechanism for the implementation and monitoring of the CSR activities for BSE Chennai.

3. Committee Composition

As per Rule 5 (1) (iii) of Companies (Corporate Social Responsibility) Rules, 2014, in case of foreign companies like us, the Board of Directors of BSE Italy should constitute the CSR Committee and such committee shall comprise of at least 2 (two) persons of which one person shall be the Authorised Representative of BSE Chennai and other person(s) shall be nominated by BSE Italy.

4. Committee Meetings & Quorum

The CSR Committee shall meet as often as its members deem necessary to perform the duties and responsibilities twice a year (Apr to Mar). The quorum for such meetings should be at least 2 members physically present.

5. Duties & Responsibilities of CSR Committee

- I. Review of the CSR activities to be undertaken by BSE Chennai. The CSR Committee shall be guided by the list of activities specified in Schedule VII to the Companies Act, 2013 and appended to this Policy as Annexure 1. Annexure 1 may be revised in line with any amendments/inclusions made to Schedule VII of the Companies Act, 2014.
- II. Formulate and recommend to the Board the CSR activities/programs to be undertaken by BSE Chennai.
- III. Recommend the CSR Expenditure to be incurred on the CSR activities/programs.
- IV. Institute a transparent mechanism for implementation of the CSR projects and activities. Effectively monitor the execution of the CSR activities.
- V. Prepare an annual report of the CSR activities undertaken for BSE Chennai and submit such report to the Board of BSE Italy.
- VI. The CSR Committee shall be apprised by Head HR who will liaise with Core Team. This reporting can be in the same format prescribed in Annexure 2.

6. Responsibility of the Board of BSE Italy

- I. Approve the CSR Policy and the CSR Expenditure after taking into consideration the recommendations made by the CSR committee.
- II. Seek confirmation from CSR Committee that CSR spending in every financial year is at least 2% of average net profits made during immediately preceding 3 financial years, in pursuance with the Policy as per format in Annexure 3.
- III. Seek confirmation from CSR Committee that CSR activities included in the CSR Policy are undertaken by BSE Chennai and that such activities are related to the activities specified in Schedule VII of the Companies Act.
- IV. Ensure disclosure of the contents of the CSR Policy on Banca Sella website.
- V. BSE Chennai shall undertake the CSR activities directly or through a NGO. The Board may, in the future, decide to undertake and implement its CSR activities through a registered trust or registered society or a Section 8 company (Non-profit entity) established by the Gruppo Banca Sella in India.

7. CSR Expenditure

- I. In every financial year, BSE Chennai shall spend a minimum of 2% of its average Net Profits in the immediately preceding three (3) financial years. Average Net profits shall mean the net profits of the Company as per the Profit & Loss Statement prepared in accordance with the Companies Act, 2013
- II. CSR Expenditure shall mean all expenditure incurred in respect of specific projects/programs relating to the approved CSR activities under the Policy framework.
- III. CSR Expenditure shall not include expenditure on an item not in conformity or not in line with activities which fall within the purview of the CSR activities listed in Schedule VII.
- IV. CSR Expenditure shall not include Projects or programs or activities undertaken outside India.

- V. The surplus arising out of the CSR activities or projects shall not form part of the business profit of BSE Chennai.

8. CSR Activities – Projects

- I. The Core Team, the core CSR team in BSE Chennai will be fulfilling the company's CSR commitment and would be focused on projects relating to Education, Skill Development, Rural Development, Disaster Relief and Environment.
- II. BSE Chennai shall promote CSR activities/Projects in the field of :
 - a. eradicating hunger, poverty and malnutrition [promoting health care including preventive health care] and sanitation [including contribution to the Swach Bharat Kosh set-up by Central Government for the promotion of sanitation] and making available safe drinking water;
 - b. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently-abled and livelihood enhancement projects;
 - c. ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water;
 - d. 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;
 - e. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
 - f. rural development projects.
- III. BSE Chennai may also undertake various other CSR activities in line with Schedule VII but which can be grouped under a program like flood relief (Flood Relief can have various components like eradicating hunger, sanitation, disaster relief, preventive healthcare falling under Schedule VII).
- IV. The CSR activities shall be undertaken in locations within India. BSE Chennai shall give preference to the local areas and the areas around which BSE Chennai operates while considering the activities to be undertaken and spending the amount earmarked for CSR activities.

9. Implementing CSR Activities

- I. The day to day implementation and execution of the CSR activities/projects shall be carried out through Core Team and spearheaded by Head HR.
- II. BSE Chennai shall undertake the CSR activities directly and also through various implementing agencies such as, NGO's, non-profit organizations, etc. Such implementing agencies shall have an established track record as prescribed under the law which currently is 3 years.
- III. Some of the initiatives taken up by Core Team will facilitate the involvement of BSE Chennai employees as Core Team volunteers in ongoing projects and events, giving them an opportunity to engage in socially meaningful activities, thus, enabling them to realize their full potential and role as socially responsible citizens (Employee Volunteer Programs).

- IV. The initiatives undertaken may be communicated to the employees through specific awareness campaigns, so as to enable maximum participation.
- V. BSE Chennai may also collaborate or pool resources with other companies to undertake CSR activities in such a manner that each companies are in a position to report separately on such CSR projects
- VI. The following activities do not qualify as CSR Activities under the Companies Act, 2013:
 - a. Projects or activities not falling within Schedule VII (Annexure 1);
 - b. Activities undertaken in pursuance of normal course of business;
 - c. Projects or programs or activities that benefit only the employees of BSE Chennai and their families
 - d. Direct or indirect contribution to any political party.

10. Core Team Capabilities

Core Team may build and enhance the CSR capabilities and skills of its own personnel (drawn out from BSE Chennai) through institutions with established track record of minimum three financial years. Such expenses are to be booked under CSR and need to be within the mandated limit.

11. CSR Reporting

Head HR makes Annual Report as per Annexure 2 on CSR Activities along with reasons if not spending the prescribed amount and the same is forwarded by CSR Committee to BSE Board and Management of BSE Chennai Branch for including as annexure in Annual Accounts

Balance Sheet financials prepared from Financial Year 2015-16 onwards must include an Annexure (Refer Annexure 2) regarding report on CSR. This report must be prepared as at 31st March of every year and presented to the Board latest by the succeeding 15th April.

12. Website Display

BSE Italy shall display on its website (www.gruppobancasella.it) the contents of this CSR Policy and other information as may be required to be displayed.

13. Review and Audit

- I. The CSR committee shall be apprised of the implementation of the CSR activities and the progress shall be monitored on a quarterly basis by Core Team lead.
- II. BSE Chennai shall through its internal controls, monitoring and evaluation systems implement, assess, document and report the impact of its CSR activities/projects.
- III. Records relating to the CSR activities and the CSR Expenditure shall be meticulously maintained by Finance & Accounts. The Records shall be submitted for reporting and audit.

- IV. If any third party implementing agency is identified to carry out CSR activities, then such implementing agency will have to get their books audited and submit the same to CSR Committee for their review. They should also provide access to their books for audit by Internal Auditor of BSE Chennai.

14. Amendments

The Policy may be reviewed and amended from time to time by CSR Committee as needed.

Annexure 1 – Schedule VII of Companies Act 2013

CSR shall focus on social, economic and environmental impact rather than mere output and outcome. Activities which are ad hoc and philanthropic in nature shall be avoided. Various activities that can be undertaken in general under CSR are outlined in Schedule VII of the Companies Act 2013 is below:

- a. eradicating hunger, poverty and malnutrition [promoting health care including preventive health care] and sanitation [including contribution to the Swach Bharat Kosh set-up by Central Government for the promotion of sanitation] and making available safe drinking water;
- b. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently-abled and livelihood enhancement projects;
- c. promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- d. ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water;
- e. 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;
- f. measures for the benefit of armed forces veterans, war widows and their dependents;
- g. training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
- h. 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;
- i. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
- j. rural development projects.
- k. slum area development

Annexure 2 – Format of Reporting

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified.	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto to the reporting period.	Amount spent: Direct or through implementing agency
1							
2							
3							
	TOTAL						

Annexure 3 – Format of Reporting by CSR Committee to BSE Board

Computation of CSR eligibility; 2% of past 3 years average Net Profits:

Period ending	Amount of Net Profits ₹
Year ending 31, March / December 20XX	
Year ending 31, March / December 20XX	
Year ending 31, March / December 20XX	
Average of Past three years profits	
Expected CSR exposure at 2% of Average Profits	

Details of CSR spend:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified.	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto to the reporting period.	Amount spent: Direct or through implementing agency
1							
2							
3							
	TOTAL						

Explanation of reasons for amounts unspent (if any):
