

# **CORPORATE SOCIAL RESPONSIBILITY POLICY**

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**CAMAC COMMERCIAL COMPANY LIMITED (CCCL)**

## **A. BACKGROUND**

Corporate Social Responsibility (CSR) is not a new concept in India, however, the Ministry of Corporate Affairs, Government of India has notified Section 135 of the Companies Act, 2013 ('the Act') along with Companies (Corporate Social Responsibility Policy) Rules, 2014 "hereinafter referred as CSR Rules" and other notifications related thereto which makes it mandatory (with effect from 1<sup>st</sup> April, 2014) for certain companies who fulfill the criteria as mentioned under Sub Section 1 of Section 135 to comply with the provisions relevant to Corporate Social Responsibility.

## **B. CCCL'S PHILOSOPHY**

Camac Commercial Company Limited ('CCCL') considers CSR as its commitment to its stakeholders, including the society at large, to conduct business in an economically, socially sustainable manner that is transparent and ethical. As on April 01, 2016 CCCL fulfills the criteria as specified in Section 135 of the Companies Act, 2013 accordingly, CCCL is committed to undertake CSR activities in accordance with said provisions and related Rules.

## **C. OBJECTIVE**

Our CSR Policy aims to develop and implement a vision and strategy for CCCL's CSR initiatives including formulating, relevant potential CSR activities, their timely and expeditious implementation and establishing an overview mechanism of the activities undertaken / to be undertaken, in synchronization with the various eligible activities prescribed under Schedule VII of the Act.

## **D. FOCUS AREAS:**

The scope of the CSR activities of the Company will cover the areas / activities specified in Schedule VII of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014 (CSR Rules- 2014) as amended from time to time, and as appended to this Policy as Appendix-1.

The said Appendix 1 may be revised in line with any amendments/inclusions/exclusions made to Schedule VII of the Act by the Government from time to time."

## **E. EXCLUSIONS FROM CSR**

The following activities shall not form part of the CSR activities of the Company:-

- ❖ The activities undertaken in pursuance of the normal course of business of the Company;

Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that:

(a) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;

(b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;

- ❖ CSR projects/programs or activities that benefit only the employees of the Company and their families;
- ❖ contribution of any amount directly or indirectly to any political party under section 182 of the Act
- ❖ Any CSR projects/programs or activities undertaken outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- ❖ activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- ❖ activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- ❖ activities carried out for fulfilment of any other statutory obligations under any law in force in India;

#### ***F. CSR EXPENDITURE***

CSR expenditure shall include all expenditure including contribution to corpus for projects/programs related to CSR activities approved by the Board but does not include any expenditure on an item not in conformity or not in line with the activities which fall within the purview of Annexure 1 attached to the policy.

The board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year

“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;

Further, the surplus arising out of the CSR projects or programs or 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, within a period of six months of the expiry of the financial year.

*Until a fund is specified in Schedule VII for the purposes of subsection (5) and(6) of section 135 of the Act, the unspent CSR amount, if any, shall be transferred by the company to any fund included in schedule VII of the Act.*

The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by –

- (a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number
- (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities;
- (c) a public authority:

#### **F1: ANNUAL ACTION PLAN**

The Board shall formulate an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-

- (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- (b) the manner of execution of such projects or programmes
- (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- (d) monitoring and reporting mechanism for the projects or programmes; and
- (e) details of need and impact assessment, if any, for the projects undertaken by the company:

#### **G. CSR COMMITTEE**

The functions of CSR committee will be discharged by the Board of Directors of company as per the Companies (Amendment) Act, 2020 vide its notification dated September 28, 2020 effective from January 22, 2021.

#### **H. RESPONSIBILITIES OF THE BOARD**

The responsibilities of the Board include:

- ❖ Formulating the CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Act;
- ❖ Confirming the amount of expenditure to be spent on the CSR activities to be undertaken by the Company in any year;
- ❖ Monitoring and reporting of the CSR activities to the Board from time to time;
- ❖ Reviewing the CSR Policy from time to time.

The Board will have the power to:

- ❖ Seek periodical Monitoring and Implementation Reports from the organizations receiving funds from the Company;
- ❖ Delegate its representatives to co-ordinate with the organizations receiving funds from the Company and to inspect the CSR activities undertaken by them and ensure information in a timely manner.

#### **I. CSR SPEND**

The Board shall endeavor to spend, in every financial year, at least 2% of the average net profit of the Company made during the 3 immediately preceding financial years on CSR activities, projects and programs as mentioned in Appendix 1.

For this purpose, “net profit” means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely: -

- (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 in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381, read with section 198 of the Act;

#### **J. IMPLEMENTATION:**

- ❖ The Board shall ensure that the CSR activities are undertaken by the company itself or through:
  - 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
  - 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
  - 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.
- ❖ The Company will endeavor to spend the requisite amount on the activities specified in Appendix –I to this policy. ;

- ❖ The time period/duration of other project(s)/program(s) shall depend on its nature, extend of coverage and intended impact of such activity.

#### **K. MONITORING AND REPORTING:**

- ❖ *The Board will meet at regular intervals as and when deemed fit;*
- ❖ *An annual report will be made which will also include the amount spent during the year and details of the projects / programs/ activities planned for the next year and their respective budgets. This presentation would also include unspent amount, if any, which is being carried forward from earlier/current years to the next year;*
- ❖ *Records relating to the CSR projects/programs/activities and the CSR Expenditure shall be meticulously maintained.*

*The Board of Directors shall review the implementation of CSR on an annual basis.*

#### **L. DISCLOSURES**

The Directors' Report of the Company shall include a section on CSR outlining the contents of the CSR Policy and other information as required/prescribed under the Act. The CSR policy shall also be available on the website of the Company ([www.camacommercial.com](http://www.camacommercial.com))

#### **M. COMPLIANCE WITH LAW**

In all such matters as may not be specifically mentioned in this Policy, the Company shall at all times comply with the applicable provisions of the Companies Act, 2013, the Rules & Regulations made and the Notifications, Circulars, Guidelines etc. issued thereunder.

Words and expression used and not defined in the CSR policy but defined in Act shall have the same meaning respectively assigned to them in the Act. Provisions contained in the Act, cRules, Regulations, Notifications, Circulars, Guidelines shall prevail over anything contained in this Policy to the extent latter is contrary to the former.

## Appendix 1

- i. Eradicating hunger, poverty and malnutrition, “promoting health care 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 set-up 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 art and handicrafts;
- vi. measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- vii. training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports
- viii. contribution to the prime minister’s national relief fund or Prime Minister’s Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- ix. Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and
- x. Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and

Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).]

- xi. rural development projects
- xii. 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.

- xiii. disaster management, including relief, rehabilitation and reconstruction activities.

**NOTE:**

**In undertaking any CSR projects/programs/activities, the Company shall ensure to give preference to the area and areas around which it operates.**