

# CHARTERED CAPITAL AND INVESTMENT LIMITED

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## CORPORATE SOCIAL RESPONSIBILITY POLICY

Chartered Capital And Investment Limited (*The Company/CCIL*), adopts this Corporate Social Responsibility Policy ("*CSR Policy*") recommended by the CSR Committee and approved by the Board of Directors at it's meeting held on May 29, 2024.

### OBJECTIVES

This Policy is formulated in accordance with the requirements of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the policy has been approved and adopted by the Board of Directors of the Company based on the recommendation of the Corporate Social Responsibility (CSR) Committee.

The objectives of the policy are:

- To lay down the functionalities containing the approach and direction for CSR activities as formulated by the CSR committee.
- To provide guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan for undertaking CSR activities.
- To prepare list of activities, programmes and projects to be undertaken during the year, specifying modes of execution and implementation schedules for the same.
- To carry out activities that would create social presence of the company.
- To formulate an Annual Action Plan every year as per applicable rules.

### CSR FOCUS AREA

Schedule VII to the Companies Act, 2013 (*the Act*) lists down the activities which may be undertaken by the Companies as a part of their corporate social responsibility initiatives. Out of this, CCIL initially proposes to focus in areas such as Education (including vocational education & skill development) and Healthcare.

In addition, the Company may from time to time consider, on recommendation of the Committee, following areas for CSR projects from the activities specified under Schedule VII of the Companies Act, 2013 and the Rules made thereunder i.e:

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach 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 centers 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 recognized sports, paraolympic 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. (a) 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  
(b) 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).
- x. rural development projects
- xi. slum area development.
- xii. disaster management, including relief, rehabilitation and reconstruction activities.

#### **MODES OF INCURRING CSR EXPENDITURE**

CSR expenditure can be incurred in multiple modes:

(i) '**Activities route**', which is a direct mode wherein a company undertakes the CSR projects or programmes as per Schedule VII of the Act, either by itself or by engaging implementing agencies as prescribed in Companies (CSR Policy) Rules, 2014.

(ii) '**Contribution to funds route**', which allows the contributions to various funds as specified in Schedule VII of the Act.

(iii) '**Contribution to incubators and R&D projects**', as specified in item (ix)(a) and contribution to institutes/organisations, engaged in research and development activity, as specified under item (ix)(b) of Schedule VII of the Act.

## GOVERNANCE

The Board of Directors shall govern the CSR activities with the support of the CSR committee from time to time. The roles of the Board of Directors and the CSR committee shall be as follows:

### i. Board of Directors

- a) The Board of Directors (the Board) will be responsible for compliance of the CSR requirements.
- b) The Board shall ensure that the Company spends, in every financial year, at least two per cent (2%) of the average net profits of the Company (as defined in the Act) made during the three immediately preceding financial years in pursuance of CSR.
- c) CSR policy, initiatives & budgets to be undertaken by the Company shall be subject to the approval of the Board based on the recommendations of the CSR committee.
- d) Report the CSR Initiatives in the Directors' report to the Members annually in the form as prescribed and place it on the company's website.
- e) The Board shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to that effect.
- f) In case of an ongoing project, the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall make modifications, if any, for smooth implementation of the project within the overall permissible time period.
- g) if the company fails to spend at least two per cent of the average net profits of the company, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount and transfer the unspent CSR amount as per provisions of sections 135(5) and 135(6) of the Act.

### ii. CSR Committee: (means a committee of the Board as constituted from time to time).

- a) Formulation and review of this CSR Policy indicating the activities to be undertaken by the Company under the CSR initiatives and recommend it to the Board;
- b) recommend the amount of expenditure to be incurred on CSR activities;
- c) monitor the CSR policy of the company from time to time; and
- d) Formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following:
  - Recommend the amount of expenditure to be incurred on the CSR activities.
  - Consultations with experts as provided under the Policy to identify the CSR initiative to be undertaken for fulfilment of the mandatory CSR.
  - Identification of implementation partner/ s.
  - the manner of execution of such projects or programs.
  - the modalities of utilization of funds and implementation schedules for the projects or programs.
  - Recommendation of project/ activity in respect of CSR project/ initiative for approval of Board.
  - Formulation of a monitoring & reporting mechanism for ensuring implementation of the projects/ programs/ activities proposed to be undertaken by the Company or the end use of the amount spent by it towards CSR activities.
  - Report to the Board regarding the status of the CSR activities and contributions made by the Company annually.
  - Any other requirements mandated under the Act and Rules issued thereto.

### Composition of Corporate Social Responsibility (CSR) Committee:

Pursuant to the provisions of Section 135 of the Act, the Board of Directors has constituted the CSR Committee. In terms of section 135 of the Companies Act, the CSR Committee shall consist of three or more directors, out of which at least one director shall be an Independent Director.

The existing composition of the CSR Committee is as under:

Mr. Mohib N Khericha, Chairman  
Mr. Ashok Kavdia, Member  
Mrs. Sofia M Khericha, Member

#### **CSR FUND**

The Company proposes to spend 2% of the Net profit on Corporate Social Responsibility. Net Profit shall be calculated as per the provisions of Companies Act, 2013 or such other legislation as may be applicable from time to time.

#### **CSR EXPENDITURE**

CSR expenditure shall include all expenditure relating to CSR activities approved by the Board on the recommendation of its CSR Committee.

#### **ANNUAL ACTION PLAN**

The Corporate Social Responsibility Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the followings, 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 as specified in rule 4(1);
- (c) The mode 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

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

#### **IMPLEMENTATION**

- i. The Company may obtain required guidance for identifying CSR initiatives/projects to be pursued from any Director/s of the Company, an employee, CSR Consultants or references from implementing agencies.
- ii. CSR Activities of the Company shall be undertaken by the Company itself or in association with implementing agency/ies as may be approved by the Board of Directors from time to time.
- iii. The implementing/ Partner Agency shall meet the following basic criteria as required under the Provisions relating to CSR in terms of the latest provisions of the Act relating of CSR:
  - a) 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
  - b) 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

- c) any entity established under an Act of Parliament or a State legislature; or
  - d) 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.
- iv. The CSR initiatives to be undertaken shall be for a period of over 12 months up to 3 years (excluding the financial year in which the project commence) which may be renewed at the discretion of the CSR committee.

#### **MONITORING**

The Company shall be entitled to receive the following information from the CSR Partners:

- Operational / progress reports from time to time along with a consolidated statement of expenses as requested by the Company.
- Any information or circumstance which may affect the implementation of the Project Plan or the activities of the CSR Partner in general.
- To ensure steady progress and proper utilization of CSR amount, the following monitoring mechanism may be adopted:
  - Periodic field visits by the persons deputed by the Company and/or Directors of the company.
  - Review of the reports submitted by the CSR Implementing Partner/Agency.

#### **TREATMENT OF SURPLUS**

Any surplus generated from CSR projects undertaken by Company will be further used towards the development of the CSR projects and will not be added to the normal business profits of the Company.

#### **DISSEMINATION OF INFORMATION**

Periodically, the CSR Committee shall report to the Board of the Company, about the status of the CSR projects/activities undertaken by the Company and a report on the impact created by such projects/ activities as and when completed.

The Company shall also upload this Policy on its website [www.charteredcapital.net](http://www.charteredcapital.net). Further, a detailed status report on the CSR activities carried out by the Company would be disclosed every year as part of the Directors' Report in the Annual Report.

#### **AMENDMENTS/ MODIFICATION TO THE POLICY**

The provisions of this CSR policy would be subject to revision/amendment in accordance with the provisions of the Act, as may be issued by relevant statutory authorities, from time to time. Further, the Board may amend this policy as and when required or deemed fit either on its own and/or as per the recommendations of the CSR Committee.

**Ahmedabad**  
**May 29, 2024**

**Chartered Capital and Investment Limited**