



**CORPORATE SOCIAL RESPONSIBILITY POLICY**

**OF**

**NATIONAL COLLATERAL MANAGEMENT SERVICES LIMITED**

## **1. PREAMBLE**

The Corporate Social Responsibility Policy (“CSR Policy”) of National Collateral Management Services Limited (“NCML/Company”) has been framed as per Section 135 of the Companies Act, 2013 (“the Act”) read with Companies (CSR Policy) Rules 2014. This CSR Policy will encompass the guiding principles and rules that shall be applicable to the Corporate Social Responsibility initiatives, programmes and activities (“CSR Projects”) that NCML will undertake as per the Schedule VII of the Act (as amended from time to time).

## **2. VISION AND MISSION**

The CSR Vision of NCML is Development of Education, Healthcare, Skill Development, Environmental protection and Community Development especially Rural Community Development and Welfare.

For the Company, Corporate Social Responsibility means Responsible Business Practices through the involvement of all stakeholders in the decision making process and in operations to achieve its CSR vision.

## **3. APPLICABILITY**

The CSR Policy has been developed in consonance to Section 135 of the Companies Act, 2013 and in accordance with the CSR Rules notified by the Ministry of Corporate Affairs, Government of India in 2014.

This Policy shall apply to all CSR Projects/Programmes to be undertaken by the Company in India as per Schedule VII of the Act.

## **4. CSR COMMITTEE:**

In adherence with Section 135 of the Companies Act, 2013, a Corporate Social Responsibility Committee (“CSR Committee”) has been constituted to govern and implement the CSR Project.

Following are the members of CSR Committee:

- Ms. Zohra Chatterji, Chairperson
- Mr. Sumit Maheshwari, Member
- Mr. Pravir Vohra, Member

The Committee is vested with the following functions and powers:

- Formulate the CSR policy and recommend the same to the Board of Directors of the Company

for approval

- Recommend CSR activities as stated under Schedule VII of the Companies Act, 2013
- Recommend the CSR expenditure to be incurred
- Oversee and Regularly monitor the progress of the initiatives rolled out under this policy
- Amend the CSR policy as per requirement

## **5. FOCUS AREAS**

NCML, will be directing its CSR projects in the following areas. However, the Company will align and expand its future CSR Projects in accordance with those mentioned in the Schedule VII of the Act (as amended from time to time).

1. Education: Scholarship to deserving children of underprivileged class, supporting girls education.
2. Environment: contribution through nongovernmental organisation working in the area of environment protection.
3. Skill Development: Skill enhancement courses for farmers through NCDEX Institute of Commodity Research (NICR).
4. Healthcare: Eradicating hunger, poverty and malnutrition, promoting preventive health care, sanitation and making available safe drinking water.
5. Rural development projects: farmer extension programs, road, drainages, solar lighting, environmental improvements, sanitation to benefit the rural farm community surrounding our warehouses.
6. Research & Development(R&D) in Food Security: Holistic approach to all forms of malnutrition, the productivity and incomes of small-scale food producers, resilience of food production systems and the sustainable use of biodiversity and genetic resources.

## **6. IMPLEMENTATION**

This CSR policy can be executed and implemented by the Company itself or through other external implementing agencies. The Company may collaborate with other companies, government schools and college, training institutes, NGOs, business partners, registered societies etc.. NCML may also implement the CSR activities through registered trust/foundation/society/company set up by NCML or its holding or subsidiary or associate company under section 8 of the Companies Act, 2013 or through other registered trust/society/company having an established track record of three years in undertaking the projects or programs proposed to be undertaken by NCML.

NCML may use the services of internal teams, expert agencies, consultancy firms etc., wherever

required for carrying out base line surveys and implementation, due diligence of implementation partners, impact assessment surveys etc.

The CSR programmes/projects will be undertaken to the best possible extent within the ambit of the identified focus areas approved by the CSR committee. It is desirable that most of the CSR activities are carried out in areas of company's operations.

## **7. CSR BUDGET**

For achieving the CSR objective, the Board shall ensure that the Company spends 2% of its average net profit made during the 3 immediately preceding financial years as its annual CSR Budget. Any unutilized CSR allocation fund of a particular year will be carried forward to the next financial year. The surplus arising out, if any of the CSR activity will not be part of business profits of the Company.

All the direct and indirect expenses incurred by the Company for the approved CSR projects will be accounted as the CSR expenditure of the Company.

## **8. IDENTIFICATION OF CSR PROGRAMMES/PROJECTS**

Identification of CSR programmes/projects will be based on the following criteria:

- The CSR programme/project shall be approved by the CSR committee along with estimated expenditure and phase wise implementation schedule.
- The CSR programme/project within the ambit of the Focus Area.
- The company shall carry out proper screening and due diligence of the implementing agency

## **9. MONITORING AND FEEDBACK**

The CSR Committee will oversee the implementation and monitoring of all CSR projects/ programmes. CSR Projects/activities will be undertaken based to the best possible extent on the recommendation of the CSR Committee within the defined thrust areas. The CSR committee shall assess if the progress is on expected lines in terms of timelines, budgetary expenditure and achievement of physical targets.

The Company may also obtain a certificate of utilization of funds as provided to the implementation partner/firm/NGO/agency etc.

## **10. REPORTING:**

The Company will be reporting its CSR expenditure in its Annual Report of the Company as per the reporting format prescribed under the Companies Act, 2013 and the rules made thereunder.

## **11. POLICY REVIEW:**

The CSR Committee will amend or modify this policy with the approval of Board of Directors.