





Cavitak Marketing Private Limited

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## Policy of Corporate Social Responsibility

( This document intends to lay down policy framework for CSR activities at Cavitak Marketing Private Limited in accordance with regulatory and legislative requirement prescribed under the Companies Act, 2013)

This document is confidential in nature and supersedes any Policy on Corporate Social Responsibility existing, if any, in the Company.



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## POLICY OF CAVITAK MARKETING PRIVATE LIMITED (CMPL) ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

### 1. PHILOSOPHY OF CSR

The world is facing numerous challenges ranging from poverty, malnutrition, environmental degradation, poor healthcare and climate change, inter alia. The social responsibility policy focuses on using the capabilities of business to improve lives and contribute to sustainable living, through contributions to local communities and society at large.

### 2. OBJECTIVE

The objective of the company's CSR policy is to lay down guiding principles for proper functioning of CSR activities to attain sustainable development of the society around the area of operations of the Company.

### 3. DEFINITION

- a) "Act" means the Companies Act, 2013 and rules made thereunder (as amended from time to time and prevalent on date),
- b) "Corporate Social Responsibility" means and includes:-
  - (i) Projects or Programs relating to activities areas or subjects specified in Schedule VII of the Act, or
  - (ii) Projects or Programs relating to activities undertaken by the Board of Directors of the Company (Board) in pursuance of the recommendation by the CSR Committee of the Board as per the declared CSR Policy of the Company subject to condition that such policy will include activities, areas or subjects specified in Schedule VII of the Act.

### 4. NEED FOR THE CSR POLICY

Ministry of Corporate Affairs, Government of India has notified Section 135 being provision relating to CSR with effect from 1<sup>st</sup> April, 2014 and also notified rules namely the Companies (Corporate Social Responsibility Policy) Rules, 2014 which came into effect from the said date. The provisions relating to CSR is required to be complied with by the company which has a Net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director. Provided that where a company is not required to appoint an independent director under sub-section (4) of section 149, it shall have in its Corporate Social Responsibility Committee two or more directors. "net profit" shall not include such sums as may be prescribed, and shall be calculated in accordance with the provisions of Section 198.

*Abhay*



While Cavatak Marketing Private Limited has always been at forefront of Voluntary CSR, the criteria specified under Section 135 (1) of the companies Act, 2013 has made it imperative to institutionalize the CSR activities. In this context, the company has constituted the CSR committee of its directors who have recommended the CSR Policy to the Board of Directors and the Board of Directors has approved the CSR Policy at its meeting held on 24<sup>th</sup> October, 2018.

## 5. AREAS OF OPERATION

It is proposed to carry out CSR activities in the State of Gujarat and in areas surrounding the project sites in various States.

The areas of operation shall generally be Ahmedabad District in the State of Gujarat. However, other areas may also be covered if the CSR committee thinks the same appropriate.

## 6. AREAS OF CSR ACTIVITIES

The Company proposes to carry out the CSR to activities areas or subjects to the approval of the Board / CSR committee from the time to time and subject to allocation of budget and programme / project to be approved by the Board / CSR Committee:

- 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;



- 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 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. contributions or funds provided to technology incubators located within academic institutions which are approved by the central govt.
- x. rural development projects
- xi. 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.

#### **What is not CSR**

Following activities will not be considered as CSR Activities:

- a. Activities carried out in pursuance of normal course of business of a Company,
- b. Activities which is carried out solely for the benefit of the employees or their relatives,
- c. Contribution of any amount directly or indirectly to any political party under the provisions of the Companies Act, 2013.

## **7. CARRYING OUT OF CSR ACTIVITIES**

The areas in which CSR activities to be carried out by the Company as enumerated in the policy, can be carried out by the Company directly or through any registered Trust or registered society or a company established by the company, its holding or subsidiary or associates company under section 8 of the Act or any specified agencies nominated by the CSR Committee from time to time and as any other mode allowed under the Act. The same can be decided by the Committee from time to time.

If such trust, society or company is not established by the Company or its holding, subsidiary or associate company, it shall have an established track record of atleast three years in undertaking similar programs or projects.

A company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committee or respective companies are in a position to report separately on such projects or programs in accordance with Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended from time to time).

It may be noted that CMPL is allowed to build CSR capabilities of its own personnel or implementing agency personnel by spending upto 5% of CSR provision on this account per FY.

*Abhal*



## 8. ALLOCATION OF FUNDS

CMPL shall allocate funds to the tune of at least 2% of the average net profits of the company during the immediately preceding three financial years towards the CSR activities as mentioned above. The CSR committee will spend the funds for each / any of the programme or project or activities as recommended by the CSR Committee and approved by the Board.

It is proposed that the Company spends the available funds into two kinds of projects or programmes - one is the long term multiyear and the second is medium to short term projects or programme.

## 9. MONITORING OF PROJECT AND FUND UTILIZATION

The CSR committee to meet as and when required necessary and monitor the implementation of project / programme / activity as decided by the CSR Committee and approved by the Board from time to time and also to adhere to the timeline and budget for various project / programme / activity.

## 10. ARRANGEMENT FOR CARRYING OUT CSR ACTIVITIES

The primary responsibility for carrying out the CSR activities is on the CSR Committee of Directors constituted by the Board of Directors of the company. The committee members can however take the support and help of the other employees of the company as per the requirements. The committee may constitute small groups from the employees of different sections for carrying out CSR related activities under its supervision.

If required a local man may be included as a co-coordinator or as a link man to achieve the target as well as ensuring participation of local representatives in formulating activities to obtain maximum benefit for the community.

On a need to basis, close co-ordination shall also be done with Central/ State/ Local Governments/ NGOs etc. to synergise CSR activities with their development programmes.

All the CSR activities shall be monitored by the CSR committee, review discussions shall be held among the committee members and other participants and suggestions for further improvements be discussed in detail. Feedback shall be obtained from local area representatives about the benefits of such activities and/or their suggestions to ensure that the benefits of such activities reach the local community.

It will be pertinent to highlight that any surplus arising out of the CSR projects or programs or activities shall not form part of business profit of company.

*Ahmed*



## 11. DISCLOSURE IN THE REPORT OF BOARD OF DIRECTORS AND DISPLAY ON COMPANY'S WEBSITE

As required by the provisions of the Companies Act and Rules made thereunder, required particulars of the CSR activities be displayed on the website of the company and also and be disclosed in the Report of the Board of Directors of the company. The CSR Committee shall forward a report to the Board on an annual basis containing following particulars:

- (a) Average Net Profit of the Company for last three financial years
- (b) Prescribed CSR Expenditure
- (c) Details of CSR Spent during the financial year,
  - i. Total amount to be spent for the financial year
  - ii. Amount unspent, if any,
  - iii. Manner in which the amount spent during the financial year as detailed in Annexure – A
- (d) In case the company has failed to spend the 2% of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its report.
- (e) A responsibility statement by the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

## 12. POLICY DOCUMENTS TO BE REFERRED FOR IMPLEMENTATION OF CSR ACTIVITIES

- a) CSR policy of Cavitak Marketing Private Limited
- b) Provisions of Companies Act, 2013 relating to CSR and Companies (Corporate Social Responsibility Policy) Rules, 2014.
- c) Any subsequent notification / circular / amendments / modification / revision / addendum to the aforesaid acts and rules issued by the Ministry of Corporate Affairs, Government of India.

## 13. GENERAL

- a) The company reserves the right to modify, cancel, add or amend any of the above rules / guidelines within the broad parameters of the provisions of Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014.
- b) In case of any doubt with regard to any of the provisions of the policy and also in respect of any matters not covered therein, the interpretation and decision of the Chairman of the Board shall be final.

*R. Shah*





**Annexure - A**

| (1)<br>Sl. No | (2)<br>CSR project or activity identified | (3)<br>Sector in which the project is covered | (4)<br>Projects or programs (1) Local area or other (2)specify the State and district where projects or Programs was under taken | (5)<br>Amount outlay (budget) project or program wise | (6)<br>Amount spent on the projects or programs Subheads: (1)Direct expenditure on projects or programs (2)Overheads : | (7)<br>Cumulative Expenditure up to the reporting period | (8)<br>Amount spent: Direct or through implementing agency (*) |
|---------------|-------------------------------------------|-----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|----------------------------------------------------------------|
| 1             |                                           |                                               |                                                                                                                                  |                                                       |                                                                                                                        |                                                          |                                                                |
| 2             |                                           |                                               |                                                                                                                                  |                                                       |                                                                                                                        |                                                          |                                                                |
| 3             |                                           |                                               |                                                                                                                                  |                                                       |                                                                                                                        |                                                          |                                                                |
|               | <b>TOTAL</b>                              |                                               |                                                                                                                                  |                                                       |                                                                                                                        |                                                          |                                                                |

\*Details of implementing agency to be provided.

*Rohit*



