

# **CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

# **CONWARE**

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**PUNJAB STATE CONTAINER & WAREHOUSING CORPORATION LIMITED**

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## 1. INTRODUCTION:

CONWARE

The State Government of Punjab incorporated Punjab State Container & Warehousing Corporation Ltd. (CONWARE) during 1995-96 as a wholly owned company under the Companies Act, 1956 which acquired the interests of Punjab State Warehousing Corporation (PSWC) in setting up the Container Freight Station (CFS) at Navi Mumbai. The paid up Capital of the Company as on date stands at 250,000,000/- (Twenty Five Crores Only).

The first venture undertaken by CONWARE was the establishment of a CFS at Dronagiri Node, Navi Mumbai on a piece of land admeasuring 27.5 acres leased out by City Industrial Development Corporation Ltd. (CIDCO). The facility developed by the Corporation is unique since besides having the biggest covered storage capacity with an area of 52,500 sq. mtrs. It is India's first facility where loaded containers go up to the first floor. The CFS which is strategically located provides the container warehousing backup facility to Jawaharlal Nehru Port. It has been made fully operational since August'1999 with issuing of Customs Notification for handling imports and exports.

The Company also tied up in a project with Container Corporation of India Limited (CONCOR Nav-Ratna Central Public Sector Enterprise (CPSE) of Ministry of Railways, Government of India) and formed a new company named Punjab Logistics Infrastructure Limited for developing, operating and maintenance of Multi-Modal Logistics Parks (MMLPs) inclusive of rail yards, container yards, Inland Container Depots (Dry Ports), Container Freight Stations and facilitate provision of logistics services for Export-Import (EXIM) cargo for the Industries of Punjab at large.

## 2. APPLICABILITY:

This Corporate Social Responsibility Policy ("CSR Policy") has been adopted by the Company in consonance with Section 135 of the Companies Act 2013 ("Act"), the Companies (Corporate Social Responsibility Policy) Rules 2014 ("CSR Rules"), and notifications/circulars issued by the Ministry of Corporate Affairs, Government of India, from time to time.

The Policy shall apply to all CSR projects/ programmes undertaken by the Company in India as per Schedule VII of the Act. The CSR Policy will form as the master guide to the implementation of the social responsibility measures of the Company. Even though drafted, formulated and adopted for complying with the relevant provisions of the Companies Act, 2013 the policy denotes the direction of the company towards CSR.

## 3. CONWARE CSR:

The Company strongly believes that the contribution to the society at large is one of the main goal and priority, wherein development of society is focused in every walk. The Board of Directors of CONWARE through its CSR committee is committed to implement the CSR initiatives in true letter and spirit.

For CONWARE, Corporate Social Responsibility (CSR) is **"adopting best governance practices, resulting in giving positive contribution to the society at large and serve needy peoples through our CSR initiatives."**

## 4. POLICY OBJECTIVES:

The Objective of this policy is to set a guiding principle for the Company's CSR activities. This Policy gives a road map of implementation and monitoring of Company's CSR projects. CONWARE's CSR Policy intends to Encourage a positive impact through Company's actions & activities on environment, communities, stakeholders and the society.

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## 5. COMPOSITION OF CSR COMMITTEE:

The CSR Committee shall consist of the following directors:

- Shri Yashanjit Singh, Managing Director, CONWARE
- The Director, Agriculture, Director, CONWARE
- Shri Anil Kumar Gupta, Independent Director, CONWARE.

## 6. RESPONSIBILITIES OF CSR COMMITTEE:

The Board of Directors of CONWARE has constituted a CSR Committee (a sub-committee of the Board consisting members of the Board). The functions and responsibilities of CSR Committee are:

- Formulating and recommending to the Board of Directors the CSR Policy and indicating activities to be undertaken,
- Recommending to Board, modifications to the CSR policy as and when required.
- Recommending the amount of expenditure for the CSR activities, and
- Monitoring CSR activities from time to time.

### Proposed additions:

**Extension in the role of CSR Committee** :- Committee shall formulate and recommend to the Board, an annual action plan in pursuance to its CSR Policy, which shall include the following:

- The list of CSR projects or programmes that are approved to be undertaken in the area of Schedule VII
- Manner of the execution of such projects
- Modalities of utilization of funds and implementation of schedule for the projects.

## 7. CSR ACTIVITIES – FOCUS SECTORS PROPOSED:

The Company proposes to focus on the following sectors (but not limited to):

- Contribution to the Chief Minister's Relief Fund or any other fund set up by the State Government.

- 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;
- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- Such other areas as the CSR Committee may recommend.

**Proposed additions:**

Definition of CSR has been amended to **Exclusive** definition and such Exclusive definition clearly specifies the activities which are not considered as CSR. CSR means the activities undertaken by the company u/s 135 read with these rules, but shall not include the following:

<i>Normal Course Business of</i>	Activities are undertaken in pursuance of the normal course of business of the company. However, at this point, MCA has exempted the Companies engaged in the research and development activity of the new vaccine, drugs, and medical device related to the COVID 19 for the FY 2020-21, 2021-22, 2022-23 subject to certain conditions.
<i>Outside India Activity</i>	Any activity is undertaken by the company outside India (except for the training of the Indian sports personnel representing any State or Union territory at the national level or India at International level);
<i>Political contribution</i>	Contribution of any amount directly or indirectly to any political party under section 182 of the Act.
<i>Benefit of Employee</i>	Activities that significantly benefit the employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
<i>The benefit to its product</i>	Activities supported by the companies on a sponsorship basis for deriving marketing benefits for its products or services
<i>Other obligation in Law</i>	Activities carried out for the fulfillment of any other statutory obligations under any law in force in India

## **8. GUIDING SOURCE OF LAW:**

The basis of Punjab State Container & Warehousing Corporation Limited (CONWARE) CSR Policy and implementation of CSR activities is in line with the provisions relating to Section 135 of Companies Act, 2013 and Companies (Corporate Social Responsibility Policy), Rules, 2014 Schedule VII of Companies Act 2013 and MCA General Circular No. 21/2014 dated 18<sup>th</sup> June, 2014 notified by the Ministry of Corporate Affairs (MCA), Government of INDIA.

## **9. GUIDING PRINCIPLES:**

- The Company shall strive to spend at least 2% of the average net profit before taxation made during the three immediate preceding financial years on the CSR activities specified in Schedule VII of the Act;
- The CSR activities shall be properly monitored;
- The CSR activities shall relate to or falling under Schedule VII of Companies Act, 2013;
- All CSR activities shall be in line with this policy.
- The Company may either continue the existing CSR activities or commence new one;

### ***Proposed additions:***

**Provisions on CSR expenditure** :- Companies on which provisions of Section 135 is applicable needs to spend 2% of the average net profit of the previous three financial years on the CSR Activity.

If Company's spent on CSR is in excess of the requirement (i.e. 2%), such excess amount may be set-off against the requirement of the CSR Spending u/s 135(5) upto the immediate succeeding/next 3 financial years subject to the following conditions that:

- The excess amount available for set-off shall not include the surplus arising out of the CSR Activities, if any, in pursuance of sub-rule 2 of these rules.
- The Board of Directors shall pass a resolution to that effect.

**Treatment of Surplus arising out of CSR amount:-** Any Surplus arising out of the CSR activity shall not be a part of the business profit. Such surplus shall be used on the following within a period of 6 months of the expiry of the financial year.

- Ploughed back into the same project.
- Transferred to the Unspent CSR Account; and
- Spent in pursuance of the CSR policy and the annual action plan of policy.

**Treatment of unspent amount :-**

If the Company fails to spend 2% of the Average net profit, then the following shall be the treatment of the unspent amount.

<p><i>If unspent amount not relating to an ongoing project</i></p>	<p>the Board shall, in its report, shall specify the reasons for not spending the amount; and'  unless the unspent amount relates to any ongoing project referred to in sub-section (6), transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year</p>
<p><i>If unspent amount relating to an ongoing project</i></p>	<p>The amount be transferred within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account (UCSRA).</p>
<p><i>If fails to spend on the ongoing project</i></p>	<p>If Company Fails to spend in 3 years, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year</p>

**10. ROLES AND RESPONSIBILITIES OF THE BOARD:**

The Board of the Company will be responsible for:

- Approving the CSR policy as recommended and formulated by the CSR Committee.
- Ensuring that in each financial year the Company spends at least 2% of the average net profit before taxation made during the three immediate preceding financial years on the CSR activities specified in Schedule VII of the Act.
- Ensuring that every financial year funds committed by the Company for CSR activities are utilized effectively and regularly monitoring implementation.
- Disclosing in its Annual Report the names of CSR Committee members, the content of the CSR policy and ensure annual reporting of its CSR activities on the Company website, if any.



As per Section 135 of the Act, the reasons for under spending of the allocated CSR budget shall be specified in the Board's Report. The surplus arising out of the CSR activities, if any, will not be considered as a part of the business profits of the company.

Proposed additions:

**Responsibilities of the Board:-**

- The Board shall satisfy itself that the funds so disbursed have been utilized for the purpose and in the manner as approved by it.
- The CFO or the person responsible for the financial management shall certify to the effect.
- 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 be competent to make modification, if any required.

**11. CSR ACTIVITIES PROPOSED, IN CONFORMITY WITH SCHEDULE VII OF COMPANIES ACT, 2013 (as amended from time to time):**

- i. Eradicating hunger, poverty and malnutrition, promoting preventive health care and 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, agro forestry, conservation of natural resources and maintaining quality of soil, air and water (amendment on 24.10.2014 including Clean Ganga Fund);
- 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 and handicrafts;
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents;
- vii. Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
- viii. 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;
- ix. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
  - x. Rural development projects.

The Company may with the recommendation of the CSR Committee, and with the approval of the Board of Directors, undertake any CSR activities confirming to the above entries, and can interpret the entries above liberally in compliance with the Ministry of Corporate Affairs, General Circular No. 21/2014 and as amended from time to time.

## **12. MONITORING AND REPORTING:**

As per Section 135(3) (c), the CSR Committee shall monitor the CSR Policy of the Company from time to time. The Board shall approve the CSR Policy and place the contents of the same in the Board's Report and also place the same in the Company's website, if any, as per Section 135 (4)(a) read with Rule 8 of Companies (CSR Policy) Rules, 2014.

### **Proposed additions:**

**Website Disclosure: (Rule 9):** The Board of Directors of the Company shall mandatorily disclose the followings on its website (if any):

- Composition of CSR Committee
- CSR Policy
- Projects approved by the Board on their website.

## **13. QUANTUM OF AMOUNT SPENDING:**

The Company shall strive to spend at-least 2% of average of previous three years net profit (or such other percentage as prescribed by the law), and any surplus arising and/or additional revenue generated out of CSR activities undertaken by the Company shall not form part of the business profit of the Company and same shall be spent for undertaking any CSR activities Only.

CSR Policy

**The Company shall not make any payment directly or indirectly to Political Party (ies) for CSR activities.**

**14. GENERAL:**

- a) The CSR Policy shall be recommended by the CSR Committee to the Board of Directors for its approval.
- b) The Company reserves the right to modify, cancel, add, or amend any of the above guidelines, with the approval of CSR Committee & ratification of Board of Directors.
- c) Any or all provisions of the CSR policy shall be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from Government of India, from time to time.
- d) In case of doubt with regard to any of the provision of the policy and also in respect of matters not covered herein, the interpretation & decision of the CSR Committee shall be final.