THE CLEARING CORPORATION OF INDIA LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Last reviewed and approved by the Board on November 5, 2026

Revision History

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Tel.: 6154 6200 • Fax: 2432 6042 • **Website: www.ccilindia.com**
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I. Introduction

The Clearing Corporation of India Ltd. (CCIL) plays an important role in Indian Financial System by operating some of the critical payment systems in the country. The Company has put in place a sound framework of Corporate Governance, with an emphasis on Social Responsibility. The Company focuses on certain core elements such as stakeholder's value, ethical functioning, protection of environment and social development while conducting its business. The approach of CCIL for Corporate Social Responsibility (CSR) aims at facilitating better and sustainable way of life for the disadvantaged sections of society.

II. Objective and Focus Areas

This CSR Policy outlines the approach and direction given by the Board of Directors, taking into account recommendations of the CSR Committee, and includes guiding principles for selection, implementation and monitoring of corporate social responsibility activities in accordance with the provisions of the Companies Act, 2013 and Companies (CSR Policy) Rules, 2014 as amended from time to time.

The Company under its CSR policy, affirms its commitment of seamless integration of marketplace, workplace, environment and community concerns with business operations by undertaking following activities / initiatives that are not taken in its normal course of business and/or confined to only the employees and their relatives and which are in line with the broad-based list of activities, areas or subjects that are set out under Schedule VII of the Companies Act, 2013 and Rules made thereunder as amended from time to time. (These are enclosed as **Annexure I**): -

1. To eradicate hunger, poverty and malnutrition, promote health care including preventive health care and sanitation and to make available safe drinking water;

2. To promote education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
3. To promote 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;
4. To ensure environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.
5. To contribute 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 Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
6. To spend CSR funds on various activities related to COVID 19 under item nos. (i) and (xii) of Schedule VII relating to promotion of health care including preventive healthcare and sanitation and disaster management.
7. To undertake such initiatives/projects or participate in any events as the CSR Committee / Board may consider appropriate in areas or subjects that are set out under Schedule VII of the Companies Act, 2013, by adhering to the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended by the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 (CSR Rules), Companies (Amendment) Act, 2019, Companies (Amendment) Act, 2020, such other applicable Rules made thereunder as amended from time to time and in accordance with the various CSR circulars, guidelines, clarifications and FAQs as may be issued by the Ministry of Corporate Affairs from time to time.

III. Constitution of CSR Committee

The Board of Directors shall constitute a CSR committee of the Board consisting of three or more directors, out of which at least one director shall be an Independent Director. The CSR committee shall be responsible for the following:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII of the Companies Act, 2013, specifying modalities of execution of such projects or programs which may be annual or ongoing in nature [as defined under the Companies (Corporate Social Responsibility Policy) Amendment Rules 2021 which may be amended from time to time] and implementation schedule for the same and monitoring the process of such projects or programs.
2. To recommend to the Board an Annual Action Plan of CSR activities to be undertaken in pursuance of Schedule VII of the Companies Act, 2013 and the CSR Policy which shall include the details as specified under the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time and recommending any amendment to the approved Action Plan during a financial year.
3. To recommend the amount of expenditure to be incurred on the activities referred to in subsection (3) and clause (a) of Section 135 of the Companies Act, 2013 (as amended from time to time);
4. To review and recommend to the Board, the treatment of unspent / excess spent of CSR funds and surplus arising out of CSR activities, if any in accordance with the provisions of the Companies Act 2013 and Rules made thereunder as amended from time to time.
5. To monitor the activities undertaken pursuant to Corporate Social Responsibility Policy of the Company from time to time by instituting a transparent monitoring mechanism for implementation and reporting of the CSR projects or programs or activities undertaken by the Company.

6. To review and recommend to the Board the appointment of an independent agency for carrying out impact assessment and impact assessment reports, if any, of the CSR Projects undertaken by the Company.
7. To review and recommend to the Board the funds utilisation certificate submitted by the Chief Financial Officer or the person responsible for financial management.
8. Such other activities as may be delegated by the Board from time to time or as required under the Companies Act, 2013 and Rules made thereunder as amended from time to time.

IV. Social Development Cell

A Social Development Cell of the senior officials of the Company, appointed by the Managing Director, may be created which shall be responsible for carrying out following activities with appropriate approval of the Managing Director:

1. Proposing various CSR initiatives as per the CSR Policy, including the budget and onboarding of Implementing Agencies in respect of each activity.
2. To carry out site visits for the CSR projects undertaken or proposed to be undertaken by the Company.
3. To implement and/or monitor CSR projects or programmes, approved by the Board.
4. To report the status of CSR projects or programmes undertaken by the Company at such intervals as the Committee may deem fit.
5. To recommend the appointment of independent agency for carrying out impact assessment of CSR projects and review the draft impact assessment report.
6. Such other activities as may be prescribed by the CSR Committee or required in accordance with the Companies Act, 2013 and CSR Rules as amended from time to time.

V. Mode of implementation

The Company will undertake CSR activities either directly or through entities eligible to act as an implementing agency under the CSR Rules. The Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in accordance with the CSR Rules. The company shall ensure that any capital assets created or acquired by the Company for any CSR projects are held by such entities/beneficiaries of CSR Projects as specified under the CSR Rules.

VI. Location of CSR Projects

Although the Company's offices are located in Maharashtra, as the critical Payment System Operator and the Central Counter Party (CCP) regulated by Reserve Bank of India, the Company caters to the need of its members located across the country and provides its services to them. The Company will consider the requirements of social development projects both in the local areas and at the national level while identifying the CSR projects.

VII. Annual Action Plan

The Company shall prepare an Action Plan for the CSR activities to be undertaken in a financial year. The Action Plan shall contain details of the projects / activities to be undertaken, implementing agency, location of the project, budget amount for each project, need and impact assessment requirements and such other details as may be required. The Action Plan and any further amendments therein during the financial year shall be approved by the Board upon the recommendation of the CSR Committee.

VIII. Monitoring and Evaluation Mechanism

The Company shall institute a monitoring and evaluation mechanism for the CSR projects or programmes or activities undertaken which shall include the following:

- A due diligence process shall be undertaken before onboarding of implementing agencies which shall inter-alia include obtaining and verification of all documents to ensure that the implementing agencies meet the eligibility criteria as laid down under the CSR Rules and have adequate track record of implementing socially useful projects.
- The amounts sanctioned for a CSR project or programme, will be released in stages or instalments as per the progress of the project and utilization of the already disbursed amount. However, the sanctioned amount may also be released in a single tranche as per the requirement of the CSR projects.
- The implementation agencies will be required to submit progress reports, utilization certificate, list of beneficiaries and such other documents through Such mode as may be required by the Company from time to time in respect of monitoring the implementation of the CSR projects approved by the Board.
- The Company may carry out visits to the site of CSR projects through authorised officials of the Company or through external experts to verify and evaluate the implementation status of the CSR projects
- The CSR Committee and the Board will review the implementation of CSR projects annually or at such lesser frequency as may be required.

IX. Impact Assessment

The Company shall undertake impact assessment of the CSR projects as required by and in the manner set out under the CSR Rules as amended from time to time through an independent agency. The impact assessment report(s) shall be placed before the CSR Committee and the Board and shall be disclosed as per the requirements under the Companies Act, 2013 and CSR Rules as amended from time to time.

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X. Other Aspects

- **CSR capacities**

a) Administrative overheads in the Company

- The Company may build CSR capacities of their own personnel by incurring administrative overheads (as defined in CSR Rules) not exceeding 5% of the total CSR obligation for the concerned financial year or such percentage as may be prescribed from time to time under applicable provisions of Companies Act, 2013 and Rules thereunder, as amended from time to time.

b) Administrative overheads incurred by implementing agencies

- Administrative Expenses may also be incurred for capacity building of Implementing Agencies, if any, (with established track records of at least three financial years) of CSR Projects. Such expenditure shall be as decided by the CSR Committee and the Board for the respective CSR Projects and the same shall be over and above the CSR contribution disbursed to the Implementing Agency for the said financial year. The overall administrative expenses to an Implementing Agency shall not exceed such amount or percentage of total CSR contribution disbursed to an Implementing Agency for the CSR project for the said financial year as decided by the Board.

- Apart from the Company's CSR, the employees of the Company may be encouraged/ motivated to take initiatives on the projects or voluntarily contribute to the fund for CSR activities.

- **Treatment of Unspent / Excess spent of CSR funds and surplus arising out of CSR activities (if any)**

The Company shall ensure that any unspent CSR funds pertaining to an ongoing project are transferred to a special account called the Unspent Corporate Social Responsibility (CSR) Account or Fund (as the case may be) as specified under Schedule VII of the Companies Act, 2013 as amended from time to time in

accordance with the timeline specified under the CSR Rules. Further, it shall be ensured that the unspent CSR funds pertaining to other than ongoing projects are transferred to a Fund as specified under Schedule VII of the Companies Act, 2013 as amended from time to time in accordance with the timeline specified under the CSR Rules.

In any year, where the Company spends in excess of its CSR obligation, such excess spending shall be available for set off against the Company's CSR obligations for up to the immediate succeeding three financial years in accordance with the Companies Act, 2013 and CSR Rules, and the Board shall be competent to pass a resolution in this regard.

The Company shall ensure that any surplus generated from the CSR projects undertaken by the Company shall not form part of the business profit of the Company but ploughed back into the same project or 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

- **Disclosure**

- The CSR policy shall be communicated to employees and other associates and shall be placed on the intranet / website of the Company.
- The annual report on CSR activities in the format as prescribed under the CSR Rules shall be included in the Board's Report which shall also cover the reasons for not spending the amount, if any as prescribed under the Companies Act, 2013 and CSR Rules made thereunder as amended from time to time.
- The Impact Assessment report, if any, shall be annexed to the Annual report on CSR and shall also be placed on website of the Company.

- The Company shall disclose the composition of its CSR Committee, contents of its CSR Policy and Projects approved by the Board on the website of the Company as per the particulars specified under the Companies Act, 2013 and CSR Rules made thereunder as amended from time to time.

➢ **Periodic review**

The CSR Committee/Board shall periodically review the progress of the activities/projects being implemented and ensure their compliance with the Companies Act 2013 and CSR Rules, CSR objectives and the Policy as amended from time to time.

XI. Applicable Law to Prevail

In the event of any conflict between the provisions of this Policy and of the Companies Act, 2013 or any rules made thereunder or any other legal requirement ("Applicable Law"), the provisions of Applicable Law shall prevail over this Policy. Any subsequent amendment / modification to the Applicable Law shall automatically apply to this Policy.

XII. Review of Policy

This Policy shall be reviewed every year or upon any relevant changes in the applicable laws or as and when it is deemed necessary to do so and the proposed changes shall be placed before the Board for its approval upon recommendation of the CSR Committee.

XIII. Framing of Standard Operating Procedures (SOPs)

For effective implementation of this "CSR Policy" and carrying out activities pursuant thereto, the detailed operational processes, procedural requirements and internal controls shall, wherever considered necessary, be documented through Operating Guidelines, Operations Manuals and/or Standard Operating Procedures (SOPs).

The Head of Department (HoD), CSR Department, shall be authorised to frame, issue, review, revise and update such implementation documents from time to time, without requiring amendment to this Policy, provided that such implementation documents shall be consistent with this Policy and shall not modify, override or dilute any provision of this Policy. In the event of any inconsistency between this Policy and any Operating Guideline, Operations Manual or SOP, the provisions of this Policy shall prevail.

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Annexure I

SCHEDULE VII

(*See* sections 135)

Activities which may be included by companies in their Corporate Social Responsibility Policies (As included and amended by way of MCA Notification from time to time)

Activities relating to: —

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 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 arts 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 Government for socio-economic development and relief and welfare of the Scheduled 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;

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.

xii) disaster management, including relief, rehabilitation and reconstruction activities