

NVP VENTURE CAPITAL INDIA PRIVATE LIMITED
Corporate Social Responsibility Policy
(CSR Policy)*

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**Draft placed before the Board on August 17, 2016.*

NVP VENTURE CAPITAL INDIA PRIVATE LIMITED CORPORATE SOCIAL RESPONSIBILITY POLICY

[IN TERMS OF SECTION 135 OF THE COMPANIES ACT, 2013 READ WITH
CORPORATE SOCIAL RESPONSIBILITY POLICY RULES, 2014]

1. INTRODUCTION

NVP Venture Capital India Private Limited is a Private Company.

The Company is engaged in service sector and is earning income from research, financial analysis and due diligence services

This CSR Policy (as defined in clause 3(f) of this policy) aims to define and establish the Company's Policy framework towards CSR (as defined in clause 3(c)).

2. OBJECTIVES

The Company recognizes and is committed towards creating common good for all and shall implement its CSR Activities to integrate economic, environmental and social objectives with its overall objectives for common good.

The Company shall identify projects / programs / activities both in urban/rural areas that will improve quality of life.

The broad objectives of this CSR Policy is to:

- (i) demonstrate commitment to the common good through responsible business practices and good governance;
- (ii) set high standards of quality in the delivery of services in the social sector.

The CSR Policy shall be implemented in accordance with the provisions of Section 135 of the Act and the Rules. It shall apply to all the CSR Activities undertaken by the Company in India as per Schedule VII of the Act and any amendments or modifications made thereto.

3. DEFINITIONS

Definitions of some of the key terms used in this policy are given below:

- a) **'Act'** means Companies Act, 2013, as amended from time to time.
- b) **'Board'** means board of directors of the Company.

- c) **‘Corporate Social Responsibility’** or **‘CSR’** means and includes but is not limited to –
 - (i) projects or programs relating to activities specified in Schedule VII to the Act; or
 - (ii) projects or programs relating to activities undertaken by the Board in pursuance of recommendations of the CSR Committee as per the CSR Policy of the Company subject to the condition that the CSR Policy will cover subjects enumerated in Schedule VII of the Act.
- d) **‘CSR Committee’** means CSR Committee of the Board.
- e) **‘CSR Activities’** means projects/programs/activities to be undertaken by the Company in India, pursuant to Section 135 and Schedule VII of the Act read with the Rules.
- f) **‘CSR Policy’** means this policy of the Company which relates to the activities to be undertaken by the Company pursuant to Section 135 and Schedule VII to the Act and matters incidental thereto including the expenditure thereon.
- g) **‘Net Profit’** means Net Profit as defined in the Rules.
- h) **‘Rules’** mean the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

‘Words and expressions’ not defined in this Policy shall have the same meaning as contained in the Act read with the Rules.

4. **CONSTITUTION OF CSR COMMITTEE**

(a) Constitution

In compliance with the requirements of Section 135 (1) of the Act, a CSR Committee has been constituted by the Board.

The CSR initiatives/activities of the Company will be identified and initiated by the CSR Committee comprising 3 (three) Members of the Board. Subject to the requirements of the Act, the Board may increase or decrease the size of the CSR Committee by passing a resolution.

The CSR Committee shall recommend to the Board the amount of expenditure to be incurred by the Company on CSR activities and the Board will ensure that the activities as are included in the CSR Policy are

undertaken by the Company subject to and in accordance with the provisions of section 135 of the Companies Act, 2013.

(b) Invitees to the CSR Committee

The Committee may invite such executives, professionals, experts and outsiders with relevant experience, as it may consider appropriate in its sole discretion to advise the Committee on various CSR Activities being undertaken / to be undertaken by the Company from time to time.

(c) Modalities of execution of the CSR Projects:

The modalities of the execution of the CSR projects or programs and their implementation along with the monitoring process of such projects or programs shall be as decided time to time by the CSR Committee members.

(d) Decisions by the CSR Committee:

- The CSR Committee shall at all times act in a manner which is consistent with the provisions contained in this CSR Policy, the Act and CSR Rules.
- The CSR Committee shall endeavor to arrive at all decisions by a consensus of all Members. However, in the event the CSR Committee is unable to arrive at such a consensus, the Chairman of the Committee may make the final decision.

- All decisions of the Committee shall be ratified by the Board.

4.1 TERMS OF REFERENCE OF THE CSR COMMITTEE

The CSR Committee shall be responsible to—

- (i) Formulate, recommend and modify / alter whenever necessary, CSR Policy which shall indicate the projects/ programmes/ activities to be undertaken by the Company, as specified in Schedule VII to the Act;
- (ii) Recommend the amount of expenditure to be incurred on the projects / programmes / activities referred to in clause (i) above;
- (iii) Institutionalize transparent monitoring mechanism for ensuring implementation of the CSR projects / programmes / activities; and
- (iv) Any other activity / functions, as may be assigned by the Board.

5. CSR ORGANISATION

The CSR Activities shall be undertaken/executed/implemented either by the Company itself or through some other entity / trust which is engaged in providing CSR Activities anywhere across the country, and should have an

established track record of at least three years in undertaking similar programs or projects.

6. CSR ALLOCATION

The CSR Allocation for a financial year shall include – (a) at least 2% of the average Net Profits of the Company for the last three financial years; (b) any income arising there from; (c) surplus arising out of CSR Activities; and (d) any contribution specifically received for CSR Activities. Further, it is clarified that any surplus arising out of CSR Activities shall not form part of the profits.

7. CSR BUDGET

The overall amount to be committed towards CSR will be approved by the Board upon the recommendation of the CSR Committee.

The respective CSR personnel will present their annual budgets alongwith the list of approved CSR activities conducted by the Company to the CSR Committee together with the progress made from time to time as a part of the evaluation process under the monitoring mechanism.

8. CSR ACTIVITIES

The Company will undertake its CSR Activities as per Schedule VII of the Companies Act, 2013.

The CSR Committee will be entitled to include other projects/ programs/ activities or any social development initiative as may be approved by the CSR Committee/Board which is in consonance with the Act read with Schedule VII to the Act.

The Company shall give preference to the local area and areas around it where it operates, for undertaking/ implementing/ executing/ collaborating for CSR Activities.

9. MONITORING MECHANISM

The CSR Committee will ensure a transparent monitoring mechanism for ensuring effective implementation of the CSR Activities proposed to be undertaken by the Company.

The CSR Committee will monitor the programs and projects to ensure that they are being carried out in compliance with this CSR Policy, budgets and processes defined by the Company and the Act and in accordance with the approved budget.

10. CSR EXPENDITURE

The CSR activities undertaken in India alone qualify to CSR Expenditure.

CSR Expenditure shall include all expenditure including contribution to corpus for CSR activities approved by the Board on the recommendation of the CSR Committee but does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act

11. CSR DISCLOSURES AND REPORTING

The CSR Committee shall prepare an annual report on CSR, in the format prescribed under the Act and the Rules as amended from time to time and such report shall be included in the Board's report annexed to the financial statements.

12. AMENDMENTS

The CSR Committee is empowered to recommend amendments or modifications to the CSR Policy and such changes shall be placed before the Board for approval.

Where the CSR Policy is at variance with the requirements of the Act and/or the Rules, the provision of the Act and/or the Rules shall prevail.

13. GENERAL

In case of any doubt with regard to any provision of the CSR Policy and also in respect of matters not covered herein, a reference to be made to the CSR Committee or to the Chairman of the CSR Committee. In all such matters, the interpretation and decision of the Chairman of the CSR Committee shall be final.

(a) Frequency of Meetings:

The meetings of the Committee could be held at such periodic intervals as may be required.

(b) Quorum:

Minimum two (2) members shall constitute a quorum for the CSR Committee meeting.

(c) Chairman:

In the absence of the Chairman, the members of the CSR Committee present at the meeting shall choose one amongst them to act as Chairman.

(d) Secretary:

The Company Secretary of the Company shall act as Secretary of the CSR Committee.

(e) Minutes of the Committee Meeting:

Proceedings of all CSR Committee meetings must be maintained in form of minutes and signed by the Chairman of the Committee and tabled at the subsequent Board and CSR Committee meeting,

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