



# Corporate Social Responsibility Policy

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## 1. Preamble

Pursuant to the provisions of section 135 and schedule VII of Companies Act, 2013 (**"Act"**) read with the Companies (Corporate Social Responsibility) Rules, 2014 (**"CSR Rules"**), Vivriti Capital Limited (**"Company"**) is required to constitute the Corporate Social Responsibility Committee (**"CSR Committee"** or **"Committee"**).

The Act provides that the CSR Committee shall recommend to the Board of Directors of the Company (**"Board"**) a Corporate Social Responsibility Policy (**"CSR Policy"**), relating to identification of list of activities/ projects/ programs in areas or subject, specified in Schedule VII of the Act for the purpose of CSR expenditure, implementation and monitoring thereon. Further, the CSR Committee shall also formulate and recommend to the Board an annual action plan in pursuance of the CSR policy of the Company.

This CSR policy is formulated in compliance with the requirement of the Act read along with the applicable rules thereto. The processes and clauses herein are subject to approvals and discussions at the meetings of the CSR Committee and the Board. The Board has taken note of the various processes which may be modified based on practical parameters, as and when necessary. The Board has approved this policy in its meeting held on 6<sup>th</sup> November 2019 and has modified it from time to time.

## 2. Objective

This Policy is formulated with the following objectives:

- a. Identify the **"Key Focus Areas"** for CSR expenditure and recommend the same to the Board
- b. Formulate the modalities for meeting the target of CSR expenditure
- c. Devising treatment of various line items under CSR expenditure and surplus
- d. Implement a transparent monitoring mechanism for CSR activities of the Company
- e. Adhere and keep record of reporting requirements for CSR expenditure in line with applicable laws with authorities

## 3. Applicability

This Policy shall be applicable to:

- a. the Board
- b. the CSR Committee of the Board
- c. CSR Working Committee
- d. CSR Personnel/ Volunteers

## 4. CSR Committee

The Company has formed a CSR Committee of the Board of Directors, with such constitution and such role and responsibilities as laid out in its Charter.

### CSR Working Committee

The CSR Working Committee, comprising members of the Sustainability & Impact (S&I) Team, is responsible for the strategic planning, execution, and monitoring of the company's CSR initiatives. The team ensures that all activities are aligned with the company's sustainability goals, CSR Policy, and

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regulatory requirements under the Companies Act, 2013.

- a. Strategy & Planning –
  - i. Develop the company's CSR strategy aligned with its sustainability goals
  - ii. Identify key focus areas and thematic priorities
  - iii. Prepare annual CSR plans and budget proposals for Board approval
- b. Project Identification & Due Diligence
  - i. Identify CSR projects aligned with Schedule VII
  - ii. Conduct programmatic and financial due diligence on implementing partners
  - iii. Coordinate with the Compliance Team for legal and regulatory vetting
- c. Fund Allocation & Disbursement Support
  - i. Recommend project-wise fund allocation
  - ii. Coordinate with Finance and Compliance for timely and compliant fund flow
- d. Monitoring & Evaluation
  - i. Develop monitoring frameworks and KPIs
  - ii. Conduct field visits and regular project reviews
  - iii. Track outputs, outcomes, and impact
- e. Reporting & Governance
  - i. Submit progress reports and impact summaries to the CSR Committee of the Board
  - ii. Maintain all compliance and audit documentation
- f. Stakeholder Engagement & Communication
  - i. Engage internal and external stakeholders to promote CSR awareness
  - ii. Foster partnerships and collaborations for greater impact

## 5. Key Focus Areas

Within the ambit of schedule VII of the Act read with CSR Rules, including any amendments or modifications thereof, the Committee may identify any of the following areas for undertaking its CSR activities:

- a. Eradicating extreme hunger and poverty and malnutrition, promoting preventive healthcare and sanitation, including contribution to the Swachh Bharat Kosh or any other similar funds set-up by the Central Government for the promotion of sanitation and making available safe drinking water
- b. Promotion of education; including special education and employment enhancing vocation skills especially among children, woman, elderly and the differently abled and livelihood enhancement projects
- c. Promoting gender equality and 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
- d. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining of quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga
- e. 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
- f. 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
  - g. Training to promote rural sports, nationally recognised sports, paralympic sports and 4lympic sports
  - h. 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 Castes, the Scheduled Tribes, other backward classes, minorities and women
  - i. 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
  - j. 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)
  - k. rural development projects
  - l. 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
  - m. disaster management, including relief, rehabilitation and reconstruction activities

Additional focus areas may be introduced to aforesaid list with the approval of the CSR Committee and in line with schedule VII of the Act, as amended from time to time.

## 6. CSR Activities/ Projects/ Programs

It is the responsibility of the Board of Directors and the CSR Committee to ensure that activities included by the Company as part of CSR Expenditure, are related to the areas or subjects specified in schedule VII of the Act.

## 7. Modalities of undertaking CSR Activities/ Projects/ Programs

Subject to the provisions of the Act and CSR Rules, following is an indicative process of undertaking any CSR activity/ project/ program:

- a. Based on the areas identified above, the CSR Working Committee shall shortlist one or more than one areas of improvement for a given quarter/year, as may be deemed relevant
- b. The CSR Working Committee may also undertake such projects which can be operated and monitored on an ongoing basis for which the project report shall state proper justification, flow of development of project and its stage of completion
- c. In addition, projects will be evaluated and selected based on the overall impact they create

within the designated focus areas

- d. The CSR Working Committee shall identify the organizations for partnership, which may be based on the recommendations made by the Working Committee. A proposed partner or implementing agency is screened on basis of an identified criteria considering factors such as credibility, track record, types of projects, areas of operation, industry bandwidth and goodwill, capacity and infrastructure, etc.
- e. A short proposal shall be created and agreed upon. The proposal will include, among others, the budget, timelines, expected impact, monitoring, key deliverables, etc.
- f. An initial due diligence is performed by the Compliance team basis the onboarding checklist (Kindly refer to Annexure I)
- g. The onboarding checklist is further strengthened with on-field due diligence by the CSR Working Committee to validate the necessity for the project and the expected impact
- h. Execution of grant letters—Once the proposal is passed by the CSR Working Committee and approved by the CSR Committee, the grant letters are executed and issued which lays down the role, responsibilities and accountabilities of each signing party
- i. The CSR Committee can appoint any implementing agency, if required, for execution or administration of the projects to be undertaken
- j. The CSR Working Committee shall monitor the implementation of CSR projects
- k. A report on the CSR spending shall be placed before the CSR Committee by the Working Committee on a periodic basis, as may be necessary from project to project
- l. The CSR Committee may use its discretion in acquiring, setting up or maintaining any capital assets for the project undertaken by the Company. Such capital asset's transfer shall be governed by the provisions of the Act

## 8. CSR Expenditure

The CSR Committee shall be responsible to deliberate, approve and specify the following in respect of undertaking CSR expenditure:

- a. Total amount to be calculated in accordance with the Act
- b. Percentage to go to earmarked projects
- c. Percentage to go to implementing organisations
- d. Percentage to go as collaborative projects with other companies/ partners
- e. Percentage to go as corpus to the Fund, if any
- f. Treatment of surplus generated out of the Fund, if any
  - i. Not part of the business profits
- g. Expenditure towards capacity building and training
  - i. Companies may build CSR capacities of their own personnel as well as those of their Implementing agencies through Institutions with established track records of at least three financial years but such expenditure including expenditure on administrative overheads, shall not exceed five percent of total CSR expenditure of the company in one financial year
- h. Any unspent amount out of the total CSR budget shall be treated as per the provisions of the Act and the CSR Rules
- i. Any amount spent in excess of the requirement for the financial year shall be set-off as per the provisions of the Act and the CSR Rules
- j. Negative list
  - i. Activities undertaken in pursuance of its normal course of business
  - ii. CSR projects or programs or activities undertaken outside India
  - iii. The CSR projects or programs or activities that benefit only the employees of the company and their families shall not be considered as CSR activities in accordance with section 135 of the Act
  - iv. Contribution of any amount directly or indirectly to any political party under section

182 of the Act, shall not be considered as CSR activity

## 9. Monitoring Mechanism

- I. The CSR Committee/ CSR Working Committee shall factor the following pertinent aspects while building the CSR monitoring mechanism:

Focus Area	Key Performance Indicators
Education	No: of beneficiaries % increase in Academic Performance in English, Maths, Science
Health and Sanitation	No: of beneficiaries % improvement in Household Level access to sanitation at village level
Livelihood and Skill Building	No: of beneficiaries % trained youth placed % increase in household income
Water	No: of beneficiaries % increase in ground water level and water availability round the year(months)
Financial Inclusivity	No: of beneficiaries covered under all Govt Schemes

II. Monitoring, Review and Evaluation

- a. Two levels of Monitoring and Review shall be undertaken for CSR activities:
- Level 1: CSR Working Committee -
    - Local reviews; dissemination of MIS and exception reports
    - Review on the progress, effectiveness; action plans and support required
  - Level 2: Board Committee on CSR Review on periodic basis
- b. There can be two kinds of evaluation undertaken: -
- Internal Evaluation - an internal evaluation can be carried out using Community Engagement Index and/ or any other tool on annual basis or at such frequency as may be determined by the CSR Committee
  - External Evaluation - It is also undertaken with reputed academic institutions/ industry association/ consultant/ market research agencies once in 3 years to assess the overall impact on community
- c. In addition to above, the CSR Committee can factor one or more of the following aspects towards monitoring activities:
- Annual Report from partners/ implementing organisations
  - Project progress reports
  - Impact audit/evaluation/assessment reports
  - Event based reports
  - Material events/ auditors' remarks
  - Any other information which may jeopardise or substantially affect the interest of all stakeholders
  - Periodic field visits by CSR Committee or CSR Working Committee
  - Sample audits of projects
  - Take assistance from external agencies for evaluation and reporting
  - The Board may decide to undertake its CSR activities approved by the CSR

Committee, through

- i. a company established under section 8 of the Act or a registered trust or a registered society, established by the company, either singly or along with any other company, or
- ii. a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government or any entity established under an Act of Parliament or a State legislature:

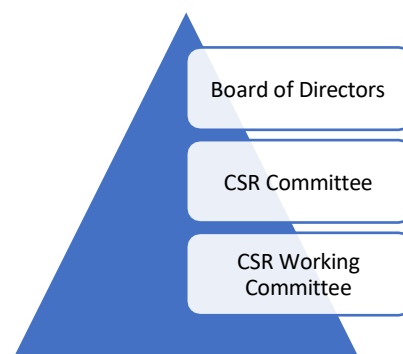
Provided that- if, the Board of a company decides to undertake its CSR activities through a company established under section 8 of the Act or a registered trust or a registered society, other than those specified in this sub-rule, such company or trust or society shall have an established track record of three years in undertaking similar programs or projects; and the company has specified the projects or programs to be undertaken, the modalities of utilisation of funds of such projects and programs and the monitoring and reporting mechanism”.

- iii. The company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs in accordance with these rules
- d. An update on monitoring shall be provided by the CSR Working Committee to the CSR Committee and thereon to the Board on a periodic basis, depending on the type of project.

## 10. Reporting

### a. Flow of authority

The flow of authority shall be as follows:



Various stages and decisions thereon shall be taken and escalated in the following manner:

Description	CSR Working Committee	CSR Committee	Board of Directors
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CSR projects and related items	✓	✓	✓
CSR Budget and Expenditure plan	X	✓	✓
Monitoring and implementation	✓	✓	✓
Any other item	✓	✓	✓

**Note:** CSR Working Committee will propose items for approval, CSR Committee will take note and recommend the same to the Board for approval and adoption, as the case may be.

#### b. Annual CSR Report

The Board's Report of the Company shall comprise of an Annual Report on CSR in line with the provisions of the Act and rules thereon.

### 11. Annual Action Plan

The CSR Committee shall formulate an action plan and recommend the same to the Board for its approval, from time to time. An annual action plan shall include the following:

- a. The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in schedule VII of the Act
- b. The manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4 of the CSR Rules
- c. The modalities of utilisation of funds and implementation schedules for the projects or programmes
- d. Monitoring and reporting mechanism for the projects or programmes; and
- e. Details of need and impact assessment, if any, for the projects undertaken by the Company

### 12. Disclosure of CSR policy on website

The CSR policy, composition of CSR Committee and projects approved by the Board shall be available on the website of the Company for public access.

### 13. Review/ Amendment

- a. This Policy shall be reviewed at such intervals as may be required by the Board, the Committee or based on any other statutory requirement.
- b. The Board of Directors on the recommendation of CSR Committee may amend CSR policy as and when required. Any or all provisions of CSR policy would be subjected to any amendment in accordance with the regulations as may be issued, from time to time.
- c. Any part of this Policy, if at any time, is found to be inconsistent with the Companies Act, 2013 or any amendments thereto, the provisions of Companies Act, 2013 shall prevail over this Policy till such time appropriate alterations are made herein.

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## Annexure I

### Onboarding Checklist

Sl. No.	Particulars	Yes	No	Remarks
	<b>Registration:</b>			
1.	Is the registration details clear – Trust or society or Section 8 (old section 25) company?			
2.	Are registration details under Income Tax Act/Foreign Contribution Regulations Act provided?			
	<b>Governance:</b>			
3.	Does the application/legal deed provide details on Governance structure? Does the list of governing body members provided separately match with the details in the Annual report?			
4.	Does the objectives provided in the application match with the objectives in the legal deed?			
5.	Does the legal deed include clauses on: a)Compliance with Income Tax Act b)Use of surplus/profit for charitable purposes			
	<b>Audit/Annual statements/Report:</b>			
6.	Are there any qualifications in the annual report?			
7.	Are there any significant disclosures in the notes on accounts?			
8.	Based on the financial statements, is it clear that surplus/profit is being spent for charitable purposes?			
9.	Does the financial statements include significant amount of expenses on the main purposes mentioned by the organization in its application?			
10.	Does the organization receive funding from Government/National/International donors?			
11.	Does the Balance Sheet include huge cash/bank balances not commensurate with its volume of operations?			
12.	Are there any items in the financial statements that would require further discussion with the organization?			
13.	Does the Annual report include activities done, which are in line with the expenses details in the financial statements?			
14.	Any other relevant information about this organization (google search)?			

Decision and remarks:

Reviewer details: