



# Corporate Social Responsibility Policy

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## 1. Preamble

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

The Act provides that the Committee shall recommend to the Board of Directors of the Company (**“the Board”**) a policy, relating to identification of list of activities/ projects/ programs for the purpose of CSR expenditure, implementation and monitoring thereon.

This 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 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.

## 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 modality 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.

## 3. Applicability

This Policy shall be applicable to:

- a. the Board
- b. the CSR Committee of the Board
- c. CSR Personnel

## 4. CSR Committee

The Company has formed a Corporate Social Responsibility Committee of the Board of Directors (hereinafter referred to as **“CSR Committee”**), which such constitution and such role and responsibilities as laid out in its Charter.

As per the recommendation of CSR Committee, CSR Working Committee has been formulated, comprising of senior employees of the Company. The CSR Working Committee shall consist of different sub teams focused on steering different aspect of CSR – strategy, execution, volunteering, and monitoring.

- The **“Strategy team”** shall put forward the broad line strategy of the committee for each year and be responsible for ensuring that the strategy is aligned to the policy determined here. The team will also establish protocols for NGO partner/ beneficiary due diligence and onboarding and establish framework to assess merits of proposal and taking approvals

- The “**Execution team**” shall be responsible for identifying the ways and means through which the outlined policy for the year can be completed – be it through direct fund assistance, fund assistance to government relief funds or through active volunteering. Volunteering partners and funds for disbursement shall be identified by this team and presented to the committee.
- The “**Volunteering team**” shall take up responsibility for gathering volunteers across the various causes which requires it. In addition to volunteering, this team will need to publish a volunteering calendar, partner with identified NGOs/independently ensure that employee participation is adequate.
- The “**Monitoring team**” shall create a monitoring plan. Based on the activities identified for the year, the team shall define the contours of the success evaluation and monitoring.

## 5. Key Focus Areas

Within the ambit of schedule VII of the Act, the Committee has identified the following Key Focus Areas which the Committee will work on completing the CSR goals.

- Eradicating extreme hunger and poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water
- Promotion of education; including special education and employment enhancing vocation skills especially among children, woman, elderly and the differently abled and livelihood enhancement projects
- 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
- 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.
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

Additional focus areas may be introduced to aforesaid list with the approval of the CSR Committee.

## 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. Modality of undertaking CSR Activities/ Projects/ Programs

Following is an indicative process of the modality of undertaking any CSR activity/ project/ program:

- a. Based on the Key Focus Areas identified above, the CSR committee shall shortlist one or more than one areas of improvement for a given quarter/year, as may be deemed relevant.
- b. The Execution team shall identify the organizations for partnership.

- c. A short proposal shall be created and agreed upon. 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.
- d. The Execution team shall perform a thorough due diligence basis the onboarding checklist
- e. Execution of grant letters – In case the proposal is approved, the grant letters are executed and issued which lays down the role, responsibilities and accountabilities of each signing party.

## 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. Negative list
  - i. Activities undertaken in pursuance of its normal course of business
  - ii. CSR projects or programs or activities undertaken outside India shall amount to CSR Expenditure.
  - 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

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

## Monitoring, Review and Evaluation

Three levels of Monitoring and Review shall be undertaken for CSR activities:-

- Level 1: Local reviews, dissemination of MIS and exception reports by Execution and Monitoring teams for the review of the CSR Working Committee .
- Level 2: CSR Working Committee leadership and other senior leaders review the progress, effectiveness, action plans and support required.
- Level 3: Board committee on CSR Review on quarterly basis.

### Framework

- a. Annual Report from partners/ implementing organisations
- b. Project progress reports
- c. Impact assessment reports
- d. Periodic field visits by CSR team
- e. Sample audits of projects
- f. Event based reports
  - i. Material events/ auditors' remarks
  - ii. Any other information which may substantially affect the interest of all stakeholders
- g. Take assistance from external agencies for evaluation and reporting

Two levels of evaluation undertaken: -

- Internal Evaluation - Monitoring team/ CSR working committee using Community Engagement Index and other tools on annual basis to assess the outcome.
- External Evaluation - Undertaken with reputed academic institutions/industry association/consultant/market research agencies once in 3 years to assess the overall impact on community.

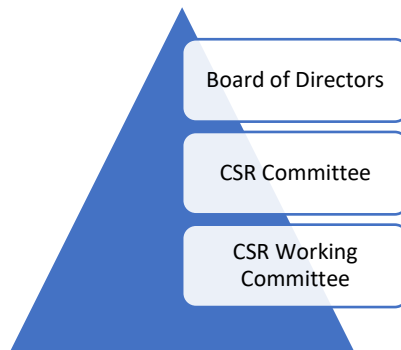
h.

The update on monitoring shall be provided by the CSR Working Committee to the CSR Committee and thereon to the Board, on a quarterly basis.

## 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
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 Comm 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. A copy of this Policy is available on the website of the Company.

## 11. Review

This Policy shall be reviewed at such intervals as may be required by the Board, the Committee or based on any other requirement, not less than once in a year.