

Corporate Social Responsibility Policy

GVFL Limited

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1. PREAMBLE

The concept of Corporate Social Responsibility (CSR) has gained prominence from all avenues. Organizations have realized that government alone will not be able to get success in its endeavor to uplift the downtrodden of society. The concept of CSR has been looked upon as closely linked with the principle of sustainable economic development, which requires the organizations to make decisions not only based on financial factors but also on immediate and long term social & environmental consequences of their activities.

Ministry of Corporate Affairs has notified Section 135 and Schedule VII of the Companies Act, 2013 alongwith the Companies (Corporate Social responsibility Policy) Rules, 2014 to come into effect from April 1, 2014.

GVFL Limited ('GVFL') was founded in 1990 as a pioneering institution to promote entrepreneurship and venture capital activity in India with support of institutions like World Bank, Gujarat State Government Corporation, HDFC, etc. Over the years, GVFL as an alternate asset management company, has raised 7 funds, liquidated 3 funds and is currently actively managing 4 funds.

GVFL Limited's mission is to deliver high returns to investors while providing financial and managerial support to innovative entrepreneurs set upon starting and building high growth companies.

2. PURPOSE

The key purpose of this policy is to :

- Define what CSR means to us and the approach adopted to achieve our goals
- Define the kind of projects that will fall under the ambit of CSR
- Serve as guiding document to help execute and monitor CSR projects
- Explain the manner in which the surpluses from CSR projects will be treated

3. GOVERNANCE STRUCTURE

A robust and transparent governance structure is required to oversee the implementation of our CSR Policy, in compliance with the requirements of Section 135 of the Companies Act, 2013.

3.1 Board Level CSR Committee

At GVFL, our governance structure will be headed by the Board Level CSR Committee that will be responsible for the CSR projects undertaken. The Committee will report to the Board of Directors and recommend the Board to approve various CSR Projects and its expenses.

3.1.1 Members

- Shri Sunil Parekh, Independent Director
- Shri D. C. Anjaria, Independent Director
- Shri Sanjay Kumar Randhar, Managing Director, GVFL Limited

3.2 Responsibilities of the Committee

- Formulate and update CSR Policy, which will be received by the Board of GVFL Ltd.
- Suggest area of intervention to the Board of GVFL limited
- Recommend and review the projects that are in line with the CSR Policy
- Put monitoring mechanism in place to track the progress of each project
- Recommend CSR expenditure to the Board of GVFL
- Meet at least twice a year to review the progress

3.3 Responsibilities of the Board of Directors of the Company

- Based on recommendation of the CSR Committee, review and approve the CSR Policy which shall indicate the activities to be undertaken by the Company.

- Approve the CSR activities and CSR Plan based on recommendation of the CSR Committee.

3.4 Disclosures

- A description of contents of the CSR Policy
- An overview of the CSR Activities
- The composition of the CSR Committee
- Average net profit of the preceding three financial years
- Prescribed CSR expenditure
- Details of amount spent in the prescribed format
- Amount unspent, if any, and reason for not spending the amount

3.5 Powers

- To convene the Committee Meetings and call for details from the Company.
- To appoint advisors, consultants, etc. to implement its objectives.
- To make necessary payments as approved by the Committee and report the same to the Board and members of the Company.

4. CSR ACTIVITY AREAS / SCOPE

As mentioned in the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, CSR Committee shall undertake various CSR Activities as mentioned in Schedule VII of the Companies Act, 2013 as amended and more particularly mentioned herein below :

SCHEDULE VII*Activities which may be included by companies in their Corporate Social Responsibility Policies*

Activities relating to :-

- 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;
- v. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of arts, 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;
- vii. Training to promote rural sports, nationally recognized sports, paralympic 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, minority and women;

- ix. Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- x. Rural development projects.

5 MONITORING

- Monitoring shall be done periodically with the help of identified key performance indicators, the periodicity being determined largely by the nature of performance indicators. Monitoring mechanism should have periodic feedbacks with resources to mid-course correction in implementation, whenever required.

6 TREATMENT OF SURPLUS

Any surplus generated from CSR Project undertaken by us will be tracked and channelized into our CSR corpus. These funds will be further used in development of the CSR projects and will not be added to the normal business profits.

-----Thank you-----