

# CORPORATE SOCIAL RESPONSIBILITY POLICY

## GVFL LIMITED

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## 1. PREAMBLE

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, Government of Gujarat, etc.

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.

The Corporate Social Responsibility Policy ('CSR Policy') is being framed by GVFL to articulate GVFL's core philosophy of social responsibility, to define the areas chosen by GVFL to impact the society with its efforts towards Corporate Social Responsibility (CSR) and to define the governance and monitoring framework for ensuring effectiveness of this Policy.

The CSR Policy is in accordance with the Section 135 of Companies Act, 2013, The Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII of the Companies Act, 2013 and other applicable regulations.

The Effective date of this CSR policy shall be the date Board of Directors approve the policy.

## 2. PURPOSE

The purpose of our CSR Policy is to laydown guidelines and mechanisms for undertaking CSR programs in alignment with the Companies Act, 2013 and to exhibit to all stakeholders our approach to CSR.

The Policy will serve as a guiding document to help, to identify, to execute and to monitor CSR projects in keeping with the spirit of the policy.

In alignment with mission of the company, our CSR initiatives will continue to enhance value creation in the society by actively contributing to the social and economic development of the communities, through its services, conduct & initiatives, so as to promote sustained growth of the society, in fulfillment of its role as a Socially Responsible Corporate, with environmental concern.

**3. DEFINITIONS:**

- i. "Act" means the Companies Act, 2013 including any amendment notified with regard thereto.
- ii. "Board" means the Board of Directors of the GVFL Limited from time to time.
- iii. "Company" means GVFL Limited incorporated under the Companies Act, 1956.
- iv. "Committee" means the Corporate Social Responsibility Committee constituted by the Board of Directors of the Company including reconstitution with regard thereto under the provision of the Companies Act, 2013.
- v. "CSR Registration No." is the unique identification number allotted by the Ministry of Corporate Affairs to the entity for undertaking CSR activities.
- vi. "CSR Activities" are the activities to be undertaken by the Company towards its CSR obligations specified under Schedule VII of the Act including amendment notified with regard thereto.
- vii. "Rules" mean the Companies (Corporate Social Responsibility) Rules, 2014 including any amendment notified with regard thereto.
- viii. Words and expressions used in this Policy and not defined herein but defined under the Companies Act, 2013 shall have the meanings respectively assigned to them therein.

**4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

Corporate Social Responsibility Committee is robust and transparent governance structure required to oversee the implementation of our CSR Policy, in compliance with the provisions of Section 135 of the Companies Act, 2013.

**4.1 Constitution of CSR Committee of the Board**

Pursuant to the provisions of Section 135(1) of the Companies Act, 2013, the Board of Directors of the Company shall constitute the Committee. The Members of the Committee shall be appointed by the Board which should consist of at least two or more Directors. The Board's Report shall disclose the composition of the Committee.

Board of the Company may re-constitute the Committee, as and when required to do so, by following the sections, sub-sections, rules, regulations, notifications issued or to be issued, from time to time, by the Ministry of Corporate Affairs or the Central Government of India.

#### **4.2 Functions and Powers of the Committee**

The Committee shall exercise powers and perform the functions pursuant to section 135 of the Companies Act, 2013 and Rules notified or assigned to it by the Board of Directors of the Company with regard thereto.

#### **4.3 Meetings of the CSR Committee**

The Committee meeting shall be held for at least once in a financial year pursuant to the secretarial standards applicable thereto.

#### **4.4 Non- Applicability**

The Company is not required to constitute the Committee if the amount spent towards CSR activities does not exceeds Rs. 50,00,000/- ( Rs. Fifty lakhs). In that case, the functions of the Committee shall be discharged by the Board.

### **5. CSR INITIATIVES**

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 from time to time.

#### **5.1 Activities that can be undertaken by the Company towards its CSR obligations in accordance to Schedule VII of the Act.**

- i. Eradicating hunger, poverty and malnutrition, promoting health care.
- ii. promoting education among children.
- iii. promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- iv. ensuring environmental sustainability
- v. protection of national heritage, art and culture, setting up public libraries;
- 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 recognized sports, paralympic sports and Olympic sports
- viii. rural development projects
- ix. slum area development.
- x. disaster management, including relief, rehabilitation and reconstruction activities.

The above mentioned activities are illustrative not exhaustive.

## **5.2 Activities not considered as compliance towards CSR obligations as per CSR Rules.**

- i. activities undertaken in pursuance of normal course of business of the company
- ii. any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- iii. contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- iv. activities benefitting employees of the company
- v. activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- vi. activities carried out for fulfillment of any other statutory obligations under any law in force in India;

## **6. CSR SPEND**

The Companies Act, 2013 prescribes that the companies which meet the criteria specified under section 135 of the Act shall spend certain amount towards the activities approved by the Board.

### **6.1 CSR EXPENDITURE**

The minimum budgeted amount as CSR expenditure for a financial year shall be 2% of the average net profit of three immediate preceding financial years. The Company may allocate more fund/amount than the amount prescribed under section 135 of the Companies Act, 2013, for the CSR activities for any financial year. The Committee shall calculate the total fund for the CSR activities and recommend to the Board for the approval. The Board shall approve the total fund to be utilized for CSR activity for respective financial year.

CSR expenditure shall include all expenditure including contribution to corpus for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on an item not in conformity or not in line with activities which fall within the approved CSR activities.

#### **6.2 HOW TO IMPLEMENT CSR?**

The CSR activities can be undertaken by company itself or through any entity holding CSR Registration Number. The Company may collaborate with other company/ies for undertaking CSR activities.

#### **6.3 FAILURE TO SPEND THE CSR AMOUNT**

The Board shall specify the reason in its Boards' Report if company fails to spend the amount and transfer such unspent amount to a fund specified under Schedule VII of the Act within a period of six (6) months from the expiry of the financial year. The above clause shall not apply if the unspent amount relates to any ongoing project as defined under the Act.

#### **6.4 TREATMENT OF EXCESS CSR AMOUNT SPENT**

If company spends an amount in excess of requirement provided under the Act , such excess amount may be set off against the requirement to spend as provided under the Act up to immediate succeeding three financial years subject to the conditions prescribed in the Act.

#### **6.5 TREATMENT OF SURPLUS AMOUNT, IF ANY.**

Any surplus arising out of the fund allocated for CSR activities shall not form part of the business profit of a company and shall be ploughed back into the CSR project.

### **7. MONITORING BY BOARD**

- Based on recommendation of the Committee, The Board shall
  - Review and approve the Policy and shall disclose it in Board's Report of the Company
  - Approve the CSR activities and CSR Plan
- Board shall ensure that the policy is placed on the website of the Company.
- The Board's Report of the company shall include an annual report on CSR in a format specified under the Act.

**8. GENERAL**

The Policy would be subject to revision/ amendment in accordance with guidelines issued by Ministry of Corporate Affairs from time to time, on subject matter. The Committee shall review the Policy at appropriate interval for making suitable amendments for better implementation thereof.

The Chairman of the company is empowered to make any supplementary rules/ orders to ensure effective implementation of the Policy.

This policy conforms to the relevant section of the Corporate Social Responsibility, Rules made under Companies Act, 2013 and amendment(s) to be made thereto in future. The provisions specified under the Act shall prevail upon the provisions mentioned hereunder.

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