

NAMDEV FINVEST PRIVATE LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

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1. Introduction

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 is considered 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 of the Companies Act, 2013 and Schedule VII thereto along with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter “CSR Rules), effective April 01, 2014.

This Corporate Social Responsibility Policy (hereinafter “CSR Policy) of the Company has been prepared pursuant to Section 135 of the Companies Act, 2013 and the CSR Rules. This CSR policy should serve as the referral document for all CSR-related activities at the Company.

2. Regulatory Requirement

The Ministry of Corporate Affairs, Government of India has notified the Section 135 of the Companies Act, 2013 along with Companies (Corporate Social Responsibility Policy) Rules, 2014 "hereinafter CSR Rules" and other notifications related thereto which makes it mandatory (with effect from 1st April, 2014) for certain Companies who fulfill the criteria as mentioned under Sub Section 1 of Section 135 of the Companies Act, 2013 to comply with the provisions relevant to Corporate Social Responsibility.

3. About the Policy

The Company constantly strives to ensure strong corporate culture which emphasizes on integrating CSR values with its business objectives. It is committed to contribute to the society by supporting causes on various concerns. The company shall make its endeavor to positively impact and influence the Society for its sustainable development and to improvise quality of lives through social development projects.

4. Meaning of Corporate Social Responsibility (CSR)

The term "Corporate Social Responsibility (CSR)" can be referred as corporate initiative to assess and take responsibility for the company's effects on the environment and impact on social welfare. The term generally applies to company's efforts that go beyond what may be required by regulators or environmental protection groups.

5. Applicability

Section 135(1) of the Companies Act, 2013 notifies that the Companies having Net worth of INR 500 Crores or more; or Turnover of INR 1000 Crores or more; or Net Profit of INR 5 Crores or more during any financial year shall be required to constitute a Corporate Social Responsibility Committee of the Board, hereinafter referred as “CSR Committee” with effect from 1st April, 2014.

The Company covered under the Section 135(1) shall be required to do following activities:

- (i) The Company shall be required to Constitute Corporate Social Responsibility Committee of the Board. The CSR Committee shall be comprised of three or more directors, out of which at least one director shall be an independent director.
- (ii) The Company shall be required to prepare Corporate Social Responsibility Policy.
- (iii) The Company shall disclose the compositions of the CSR Committee and other details as specified in Corporate Social Responsibility Rules, 2014 in the Board's report.
- (iv) The Company shall spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

6. Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility Committee shall consist of three or more directors, out of which at least one director shall be an independent director. A quorum at a meeting shall be 2 or more committee members. The Chairman of the Corporate Social Responsibility Committee and other members of the committee shall be decided by the Board of Directors. The Board may replace a Committee member at any time.

7. Meetings

The Corporate Social Responsibility Committee shall hold meeting(s) as and when needed. The chairman of the Committee will preside at each meeting of the Committee and, in consultation with the other members of the Committee. The chairman will ensure that the agenda for each meeting is circulated in advance of the meeting. Meeting(s) may be conducted telephonically, via e mail or by other electronic means.

8. Resolution by Circulation

In pursuant to the section 175 of the Companies Act, 2013, a resolution proposed to be passed by circulation should be sent in draft form, together with the necessary papers, individually to all the members of the Committee, at the same time. The resolution is passed, when it is approved by a majority of members entitled to vote on the resolution other than interested members. Members of the Committee should give their assent or dissent either by signing the resolution or by sending confirmation through mail on resolution to be passed by circulation within 24 hrs of circulation otherwise it will be deemed that the resolution have been passed on the same date.

9. Committee Authority and Responsibilities

The Corporate Social Responsibility Committee shall be required to carry out the following activities:

- (i) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as per Companies Act, 2013 and rules made thereunder;
- (ii) Review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- (iii) Institute a transparent monitoring mechanism for the implementation of the CSR projects, programs and activities undertaken the Company from time to time; and
- (iv) Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

10. Corporate Social Responsibility (CSR) Reporting

The Board's report of a Company shall include a report on Corporate Social Responsibility containing particulars of the CSR activities in the manner as specified in Corporate Social Responsibility Rules, 2014:

- (i) A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs;
- (ii) The composition of the CSR Committee;
- (iii) Average net profit of the Company for last three financial years;
- (iv) Prescribed CSR Expenditure (2% of the amount of the average net profit for the last 3 financial years);
- (v) Details of CSR Spent during the financial year;
- (vi) In case the company has failed to spend the 2% of the average net profit of the last three financial years, reasons thereof.

11. Corporate Social Responsibility (CSR) Activities

The Company constantly strives to ensure strong corporate culture which emphasizes on integrating CSR values with business objectives. It pursues initiatives to eradicate hunger poverty; promoting preventive health care and making available safe drinking water; promoting education, including special education, employment enhancing vocational skill trainings, promoting gender equality, programs for empowering women and projects for environmental protection.

As per the Schedule VII read with Section 135 of the Companies Act, 2013, the following activities would be allowed as a part of CSR activities by the Company:

- i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- ii) Promoting education, including special education and employment enhancing vocational 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 centres 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 including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- v) 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 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, para Olympic 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, minorities and women;
- ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- x) Rural development projects;
- xi) Slum Area Development; and Explanation: For the purposes of this item, the term 'sum 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.
- xii) Such other matters as may prescribed by the Central Government.

The above list is illustrative and not exhaustive.

12. Role of CSR Committee

In pursuance to Section 135 of the Act, the Company shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director. In case of companies where appointment of an independent director is not mandatory shall form the CSR Committee without such independent director.

13. Quorum of CSR Committee

The CSR Committee of the Company shall comprise of the following Directors:

- | | |
|------------------------|----------|
| a) Mr. Jitendra Tanwar | Chairman |
| b) Mrs. Lalita Tanwar | Member |

The Corporate Social Responsibility Committee shall:

- formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to Companies Act, 2013;
- recommend the amount of expenditure to be incurred on the activities referred to in clause (a) above; and
- monitor the Corporate Social Responsibility Policy of the Company from time to time.

Quorum - As maybe decided by the Board of Directors.

14. CSR Committee and role of Board

The Board shall:

- after taking into account the recommendations made by the CSR Committee, approve the Corporate Social Responsibility Policy for the Company and disclose contents of such Policy in its report and also place it on the Company's website, if any, in such manner as may be prescribed;
- ensure that the activities as are included in Corporate Social Responsibility Policy of the Company are undertaken by the Company;
- ensure that the Company spends, in every financial year, at least two percent of its average net profits made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy, provided that the Company shall give preference to the local area/s around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities.

15. Review and Amendments to the Policy

The Company's MD/CEO and CFO have been entrusted with the responsibility of enforcement of this policy. They are hereby given absolute power to jointly or severally, make necessary changes, amendments or additions or removals for the operational aspects of the policy within the overall spirit and guidance from time to time for reasons like technology or process upgradation, regulatory changes, maintaining competitive edge or responding to changes in market or risk environment, etc. This is required to ensure full operational freedom to the senior management and make the management team more adaptive to rapid changing external environment. All changes so made shall be noted to the policy approving authority during the next policy review.

The MD/CEO and CFO can decide on delegation of authority and can design / redesign MIS systems and reporting as they see fit to improve the responsibility and accountability within the team hierarchy.