

Corporate Social Responsibility Policy

Avendus Capital Private Limited

**Regd office : IL&FS Financial Center, B Quadrant, 5th Floor, Bandra Kurla
Complex, Bandra (East), Mumbai- 400 051**

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Recommending Authority:- CSR Committee

Approving Authority:- Board of Directors

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I. PREAMBLE

The Ministry of Corporate Affairs (“MCA”) introduced the concept Corporate Social Responsibility (“CSR”) in the Companies Act, 2013.

Avendus Capital Pvt. Ltd. (ACPL/ the Company) has formulated and adopted this Corporate Social Responsibility Policy in terms of Section 135 of the Companies Act, 2013 and the CSR Rules to undertake CSR activities (hereinafter mention as “Policy”).

II. OBJECTIVE

Corporate Social Responsibility is a Company’s sense of responsibility towards the community and environment in which it operates. It is the continuing commitment by business to behave ethically and contribute to economic development of the society at large and building capacity for sustainable livelihoods.

The main objective of this CSR Policy is to lay down guidelines to make CSR a key business process for sustainable development of the society and the environment in which it operates. The Company aims to bring about an overall positive impact on the society and environment where it operates and as a part of its social objectives.

III. COMPOSITION AND ROLE OF CSR COMMITTEE

The Company has formed a Committee known as the Corporate Social Responsibility Committee (“the Committee”) of Directors.

As per the provisions of the Companies Act, 2013, the Committee of the Board on Corporate Social Responsibility shall comprise of three or more Directors and the details of the Committee shall be disclosed by the Board of Directors of the Company in its report.

The CSR Committee will play the following role in fulfilling the Company's CSR objectives:

- i. Formulate and recommend to the Board, the CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
- ii. Review of this CSR Policy;
- iii. Recommendation of the amount of expenditure to be incurred on the CSR activities; and
- iv. Formulation of a transparent monitoring mechanism for ensuring implementation of the projects/ programmes/ activities proposed to be undertaken by the Company or the end use of the amount spent by it towards CSR activities.
- v. Monitor and implement this Policy from time to time
- vi. Annually report to the Board, the status of the CSR activities and contributions made by the Company
- vii. Any other matter as may be considered expedient in furtherance of and to comply with the applicable provisions of the Act, rules and CSR Policy of the Company.

IV. CSR AMOUNT

The Company shall ensure that it spends/ contributes, in every financial year, at least 2 % of its average net profits (as determined in accordance with the provisions of Section 198 of the Companies Act, 2013) made during the 3 immediately preceding financial years, in pursuance of its corporate social responsibility and subject to Section 135 of the Companies Act, 2013 and the rule made there under.

If the Company fails to spend/ contribute such amount the Board shall, in its report specify the reasons for not spending the amount;

Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.

Any income arising from the contribution received and surplus arising out of the CSR activities will be used for CSR only.

V. IMPLEMENTATION

The Company may contribute/ spend towards the CSR activities either directly or through partnering organization or by way of donation in the approved fund(s). The Company may also form a separate legal entity in an appropriate format, to undertake CSR activities.

VI. CONTRIBUTION FOR CSR ACTIVITIES / SPENDING OF CSR AMOUNT

The CSR Committee will, inter alia decide on the following with regard to spending of CSR amount:

- Total amount to be contributed and the mode of contribution.
- To identify the projects/ areas for CSR activities
- Tranches of disbursement

The Committee can recommend to contribute funds for building the CSR capacities of own personnel as well as of implementing agencies through institutions with established track records of atleast three financial years but such expenditure (including expenditure on administrative overheads), shall not exceed 5 % of the total CSR expenditure of the Company in one financial year.

The Company shall have right to call for requisite documents, information and records from the partnering organization to ensure proper implementation of the CSE activities.

VII. CSR ACTIVITIES / PROJECTS

Our initiatives for CSR activities will continue to revolve around the followings as provided in the Schedule VII of the Companies Act, 2013:

- i. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including the contribution to 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 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 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, 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 Caste, 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. Development of any area which is declared as slum by the Central Government or any state government or any other competent authority under any law for the time being in force.
- xii. Any other activity as may be notified by the Government from time to time

Considering the goals and objectives of the Company for CSR, the Company currently plans to support, partner and assist CSR activities mentioned in the Clause ii, iv and v of the permissible activities.

The Company shall give preference to the local area and areas around it where it operates for spending the amount earmarked CSR activities;

The CSR Activities shall not include the following: -

- i. Activities undertaken in pursuance of normal course of business of the Company;
- ii. Activities that benefit only the employees of the company and their families;
- iii. Any contribution to any political party;
- iv. The contribution made outside India;

VIII. PARTNERING ORGANISATIONS/ CONTRIBUTION TO FUND

While entering in partnership with organizations for CSR activities, the Company shall ensure that the said organizations have impeccable track record of service, performance, accountability and fulfills such other parameters as provided under the provisions of the Companies Act, 2013 and the criteria as may be laid down by Committee from time to time.

The Company may also undertake the CSR activities by making contribution to specific eligible funds maintained by the Central / State Government of India like, Prime Minister Relief Fund.

While partnering with NGO for CSR activities, the following procedure is required to be adhered to:-

- Formulating and recommending a letter of contribution for undertaking CSR Activities through Partnering NGO's along with the project plan submitted by the foundation.
- Wherever required, execution of memorandum of understanding which would detail the key roles and responsibilities of each of the parties.
- The contribution would be for a particular project or projects identified by the Company.
- The disbursement will be made only upon receipt of request specifying the amount that is required and the activity for which it is required.
- The Company while making any contribution may specify the activities for which it is made and the said amount and any interest earned on such amount shall be utilized towards such activities only.

IX. MONITORING

1. The CSR Committee shall ensure a transparent monitoring mechanism for CSR activities.
2. The CSR Committee shall review the progress of CSR activities from time to time, including the annual review.
3. The Board of Directors shall review the progress of CSR activities at least annually.
4. The activities of the entity proposed to be formed for charitable purposes or the partnering organization would also be overseen by the CSR Committee.

X. DISSEMINATION OF INFORMATION

The CSR Committee shall report to the Board of the Company, at least on an annual basis, the status of the CSR projects/ activities undertaken by the Company along with the report on impact created by such projects/ activities.

The Company shall also upload this Policy on its website www.avendus.com.

Further, a detailed status report on the CSR activities carried out by the Company would be disclosed every year as part of the Directors' Report in the Annual Report as required under Companies Act,

2013. The said information would also be uploaded on the website of the Company as required under Companies Act, 2013.

The CSR Committee will also make a responsibility statement in the Annual Report stating that the CSR Policy implementation and monitoring thereof is, in letter and spirit, in compliance with its CSR objectives.

XI. AMENDMENT

The Committee in consultation with Board or the Board reserves its right to amend or modify the Policy in whole or in part, so long as it is not inconsistent with the provision of the Act and Rules.

For **Avendus Capital Private Limited**


Ranu Vohra

Managing Director & CEO

Date: 10th June, 2015