



Corporate Social Responsibility Policy

NABVENTURES Limited
(A Wholly owned subsidiary of NABARD)

(Approved at the Board meeting held on March 24, 2023)



I. Background

NABVENTURES Limited is a subsidiary of the National Bank for Agriculture and Rural Development (NABARD) and was incorporated on 23rd April, 2018. It is engaged in carrying on the business of advising and managing Alternative Investment funds for government, private investors, trusts; institutional investors, banks, companies, individuals or any other body corporate (whether incorporated or not in India or abroad) for investments in stocks, shares, finance, debenture bonds, property, depository receipts, options, obligations, derivatives or in and all kinds of financial instruments.

NABVENTURES is the Investment Manager of NABVENTURES Fund I (“the Fund”), a Category II Alternative Investment Fund registered with SEBI. The Fund focuses on investments in early to mid-stage start-ups in agriculture, agtech, agri-biotech, food, agri/rural fintech and rural businesses.

II. Objectives

The objectives of CSR Policy are enumerated as under:

- The policy will be in tune with the organisational goals and priorities of National Bank for Agriculture and Rural Development (NABARD).
- The policy will ensure compliance with the provisions of the Companies Act, 2013 in respect of statutory requirements under Corporate Social Responsibility.
- The policy will also ensure compliance with the requirements of disclosure in the Annual Report of NABVENTURES every year in the prescribed format as set out in **Annexure II** of the “The Companies (Corporate Social Responsibility Policy) Rules, 2014” including any amendment, if any, made thereof from time to time.
- The Policy will provide for adequate mechanisms for orderly implementation, monitoring and reporting systems.

III. Title

The policy framed hereunder may be called the "**NABVENTURES Corporate Social Responsibility Policy**" (“**CSR Policy**”).

The Policy shall come into force from the date of approval by the Board of Directors of NABVENTURES Limited.

IV. Definitions

1. "**Act**" means the Companies Act, 2013;
2. "**Rules**" means the Companies (Corporate Social Responsibility) Rules, 2014 and any modifications and/or re-enactment thereof, made from time to time;



3. **“CSR Policy”** means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan
4. **"The Company"/ "Company"** means NABVENTURES Limited;
5. **"Board"** means the Board of Directors of NABVENTURES Limited;
6. **“Corporate Social Responsibility (CSR)”** means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely:-
 - (i) activities undertaken in pursuance of normal course of business of the company: Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that-
 - (a) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;
 - (b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board’s Report;
 - (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 as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
 - (v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
 - (vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India;



7. **"CSR Committee"** means the Committee of the Board on CSR constituted under the provisions of Section 135 of the Companies Act, 2013, and includes any reconstitution thereof from time to time;
8. **"Net profit"** means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:-
 - i. any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
 - ii. any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act: Provided that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381, read with section 198 of the Act;
9. **"Ongoing Project"** means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification;
10. **"Administrative Overheads"** "means the expenses incurred by the Company for 'general management and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.

V. Eligible CSR Activities

CSR activities taken up by the Company shall include the activity/ activities amongst and relating to the list provided under the Companies Act, 2013, or any relevant Act/ provisions as envisaged by the Government of India from time to time.



In accordance with Schedule VII of the Companies Act, 2013, the Company will focus on the following areas in its CSR engagement:

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh 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, agroforestry, 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 art and handicrafts;
- (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 recognised sports, paralympic sports and olympic sports.
- (viii) contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- (ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and
(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).]
- (x) rural development projects.



(xi) slum area development.

Explanation.- For the purposes of this item, the term `slum 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) disaster management, including relief, rehabilitation and reconstruction activities.]

The Focus Area for each financial year will be recommended to the Board by the CSR Committee and may include one or more of the aforementioned activities in any given year, but shall not include the following, namely:-

- a) Activities undertaken in pursuance of normal course of business of the Company;
- b) Any activity is undertaken by the company outside India except for training of Indian sports personnel representing any State at a national level or India at the International level;
- c) Contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- d) Activities benefitting employees of the company as defined in clause 2 of the Code on Wages, 2019 (29 of 2019);
- e) The activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- f) The activities carried out for the fulfillment of any other statutory obligations under any law in force in India.

VI. Governance Structure

a. Board of Directors

The roles and responsibilities of the Board shall be as follows:

- i. Approval and review of the CSR Policy of the Company;
 - ii. Constitution of CSR Committee and review of activities of the CSR Committee;
 - iii. Oversee the implementation of CSR activities as per the approved CSR Policy;
 - iv. Ensure the CSR activities are undertaken by the Company itself or through eligible entities;
- IV. Ensure publication of due disclosures in the annual statements and Composition of CSR committee, CSR Policy and CSR projects on the website of the company.



b. CSR Committee

A CSR Committee shall be constituted to implement the CSR Policy, consisting of the following members:

- i. Shri Dinesh Poolakkunnath - Chairman
- ii. Shri Surender Singh - Member
- iii. Sanjay Kumar Gupta - Member

The roles and responsibilities of the CSR Committee shall be as follows

- i. Formulation and review of the CSR Policy for approval by the Board from time to time;
- ii. Formulate and recommend to the Board an annual action plan indicating the following:
 - ▶ the list of CSR projects or programmes approved to be undertaken · subjects as per Schedule VII of the Act
 - ▶ manner of execution of such projects or programmes
 - ▶ modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - ▶ monitoring and reporting mechanism;
 - ▶ details of need and impact assessment for the projects undertaken by the Company, if any.
- iii. Identification of eligible institutions/ activities and ensuring implementation of the annual CSR action plan;
- iv. Monitoring the implementation of CSR Activities;
- v. Recommending the amount of expenditure to be incurred on activities indicated in the CSR Policy;
- vi. Ensure periodic reporting to the board on the progress of CSR activities.

VII. Broad Guidelines for Implementation

- i. The proposal has to be within the framework of the CSR Policy.
- ii. The proposals received have to be redrawn in the project framework mechanism giving the details of activities to be undertaken, time frame, financial requirements, organisational requirements, outcome/ results expected and sustainability of the project.
- iii. The identified CSR activities will be implemented in such a way that they do not directly contribute to the business of NABVENTURES LTD., in order to uphold the spirit of CSR and to avoid conflict of interest;
- iv. The Company shall give preference to CSR activities implemented in rural/semi-urban areas and areas around which it operates;
- v. The CSR expenditure will be incurred on activities permitted under Section 135 read



- with Schedule VII of the Companies Act, 2013;
- iv. The Company shall collaborate with other reputed Companies/ institutions for undertaking CSR activities;
 - v. Contributions to corpus of a Trust /Society/ Section 8 Company, etc., will qualify as CSR expenditure as long as such entity is created exclusively for undertaking CSR activities or where corpus is created exclusively for a purpose directly relatable to a subject covered in Schedule VII of the Companies Act, 2013;
 - vi. It will be ensured that CSR activities are beneficial to the community and benefits are available on long term basis.
 - vi. Compliance with all extant statutory/ regulatory guidelines issued by various authorities in respect of CSR Funding shall be ensured.

VIII. Sanctioning Powers

The Sanctioning Powers for incurring financial expenditure for CSR activities shall be as follows:

<i>Sl.No</i>	<i>Particular</i>	<i>Sanctioning Powers / Delegation(In INR)</i>
1.	Board of Directors	Above 25,00,000
2.	CSR Committee	5,00,001-25,00,000
3.	Chief Executive Officer	1-5,00,000

IX. Eligible Entities

The CSR activities shall be undertaken by NABVENTURES Limited itself or through-

- (a) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
- (b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
- (c) any entity established under an Act of Parliament or a State legislature; or
 The term “entity” shall mean a statutory body constituted under an Act of Parliament or State legislature to undertake activities covered in Schedule VII of the Act.
- (d) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.



The criteria for selection of eligible entities for grant of funds by NABVENTURES LTD. for undertaking CSR activities are as follows:

- 1) The entity nor any member of the governing body must not have been convicted under any illegal activity by a competent court;
- 2) The Company/members of the Governing body should not have faced bankruptcy/insolvency in the past;
- 3) Must not have direct political/religious/caste/communal links. However, highly reputed entities engaged in Community Development Programs and in activities which serve the society at large such as health care, education, etc. may be considered on a selective basis;
- 4) Must have suitable systems and procedures in place to submit a monthly/periodical MIS to the Company;
- 5) Entities which have already undergone Social Impact Assessment by any reputed international/national agencies shall be given preference
- 6) The entity must have register itself with the Central Government and have unique CSR Registration Number issued by the Central Government.

Eligible partners will be guided by the Standard Operating Procedures/ operating guidelines as formulated by the Company from time to time.

Additionally, the following parameters may be applied while selecting partners:

- i. Grant assistance shall be invariably made directly to institutions without any involvement of agents/middlemen/consultants;
- ii. Grant assistance to institutions which are already having sufficient own funds and/ or can raise funds to meet costs of their project may be avoided. In other words, while sanctioning CSR funds, preference shall be given to the organisations with critical/relevant projects but which are facing resource crunch.
- iii. Grant assistance shall preferably be made to such entities which are exempted from income-tax, so that Company may in turn claim income tax exemptions.

X. Monitoring Mechanism

The CSR Committee of the Company will be responsible for monitoring of various CSR projects or programmes undertaken by the Company directly or indirectly. The Committee shall ensure that:

- i) The Company undertakes the CSR activities as provided in the CSR Policy;
- ii) The projects/programmes are implemented as per the approved terms and conditions of sanction;
- iii) The budget allocated for various projects are utilised for the projects as per the approved plans;
- iv) The objective of the project / programme is achieved as per the stipulated plans and timelines;



- v) Wherever projects/ programmes are undertaken in partnership with one or more organisation, the portion of the project undertaken by the Company shall be distinguishable and necessary supporting documents in respect of the same shall be obtained from the other partners / implementing agency on a Quarterly basis;
- vi) The Company shall ensure to inspect the assisted assets/activities either directly or through third party monitoring;
- vii) The Company shall ensure that the beneficiary exhibits the Company's name/logo on the premises or assets assisted under the scheme/project assisted by NABVENTURES CSR grants.
- viii) The Company will obtain progress reports on periodic basis, till the time the project is implemented. Periodic Reports on the progress of various projects shall be placed to the CSR Committee of Board for review;
- ix) A Half-Yearly report on implementation shall be submitted to the Board by the CSR Committee.

XI. CSR Expenditure

The Company shall spend, in every financial year, at least two percent of the average annual net profits of the company made during the three immediately preceding financial years towards CSR activities out of which expenditure on administrative overhead shall not exceed five percent of the total CSR expenditure of the company for the financial year.

Where a company spends an amount in excess of requirement provided under sub-section (5) of section 135 , such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that –

- (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of rule (7)(2) of the Companies (Corporate Social Responsibility Policy) Rules, 2014.
- (ii) the Board of the company shall pass a resolution to that effect.

In case the Company is unable to spend the envisaged amount on CSR activities during the relevant financial year, the Board shall specify the reasons thereof in its Annual Report and unless the unspent amount relates to any ongoing project, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.



XII. Surplus arising out of CSR Activities

Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of 6(six) months of the expiry of the financial year.

XIII. Special Unspent CSR Account

A special bank account, called an Unspent CSR Account be opened by the company in any scheduled bank for any amount remaining unspent pursuant to any ongoing project, undertaken by a company in pursuance of its CSR Policy. The transfer of unspent CSR Amount may be made within a period of 30 (thirty) days from the end of the financial year.

The amount transferred to the unspent CSR account shall be spent by the company in pursuance of its obligation towards the CSR Policy within a period of three financial years from the date of such transfer.

In case, the company fails to spend the amount within a period of three financial years, it shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

XIV. CSR Reporting and Disclosure

The Company shall report the details of CSR programme or projects undertaken under its CSR Policy to the CSR Committee of the Board and thereafter for disseminating the same to the shareholders of the Company together with the Annual Report in the format prescribed in the Companies (CSR) Rules, 2021(including any amendment thereto or re-enactment thereof from time to time). The progress under CSR will be placed annually before the Board of Directors.

The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.

XV. General

- i. The amount sanctioned shall be disbursed in suitable tranches linked to identifiable project milestones achieved, for projects assisted on 'standalone' basis as well as those implemented in partnership with other organisations and based on satisfactory performance. As far as possible, only standalone 'components' of projects may be considered for assistance;
- ii. Assistance may be provided for revenue as well as capital expenditure, the CSR amount can spent by a company for the creation or acquisition of a capital asset, provided it shall be held by:



- (a) A company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under Rule 4(2).
 - (b) Beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
 - (c) A public authority.
- iii. In case it is observed that any CSR Activity taken up for implementation is not properly implemented, or the partnering entity has not complied with the terms and conditions, or that there are serious organisational, financial, regulatory or compliance issues facing the organisation, the CSR Committee may, with approval of the Board, discontinue funding the project at any point of time during the course of implementation and use such funds for any other project. The unutilised amount in disbursed tranches, if any, will also be recalled;
- iv. The CSR Committee shall have the power to clarify any doubts or rectify any anomalies that may exist in connection with the effective execution of this CSR Policy.
- iv. The Board of a Company shall satisfy itself that the funds disbursed to the entities for CSR have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
- vi. The Company shall appoint an independent agency for undertaking impact assessment under the Companies (Corporate Social Responsibility) Amendment Rules, 2021 for CSR projects having outlays of one crore rupees or more if its average CSR obligation is Rupees ten crore rupees or more in the three immediately preceding financial years.

XVI. Amendment

The CSR Committee shall recommend amendment or modification of the CSR Policy and such changes shall be placed before the Board for its approval. The Board may subject to compliance with applicable laws, at any time approve or alter, amend or modify the CSR Policy, as it deems fit, to comply with the statutory obligation to undertake the CSR Activities.



XVII. Information Dissemination

The Company, after considering the recommendations of the CSR Committee and the approval of the Board, shall display the CSR activities of the Company on its website. The Company's engagement in CSR activities shall be disseminated on its website, annual reports and if required, through other communication channels, from time to time.