

CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR Policy)

Nava Bharat Ventures Limited

Regd. Office: Nava Bharat Chambers, Raj Bhavan Road, Hyderabad – 500 082,
Telangana Phone : +91 40 2340 3501; 4034 5999 Fax : +91 80 6688 6121

CIN: L27101TG1972PLC001549

www.nbventures.com **Email:** secretarial@nbv.in

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Preliminary:

Nava Bharat Ventures Limited (“NBV”) is committed towards betterment of society and environment with constant efforts to build and nurture long lasting relationships with members of the society in general and the communities around its manufacturing facilities in particular.

CSR Philosophy –

- Improving quality of life of the communities and stakeholders around the Company’s manufacturing facilities;
- Contributing to economic development of the society from which the Company draws resources for its operations;
- The Company endeavors to provide learning and imparting knowledge to students through measures like formal schools;
- provide health care services through measures like preventive health care; and
- provide livelihood and empowering women through measures like vocational training and livelihood generation programs.

Objective:

The main objective of this CSR Policy is to lay down guidelines and also make CSR as one of the key business drivers for sustainable development of the environment and the society in which the Company operates in particular and the overall development of the communities at large.

Definitions:

- (1) “CSR Committee” means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Companies Act, 2013 (“the Act”).
- (2) “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.

(3) "Corporate Social Responsibility" 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:

- a) activities undertaken in pursuance of normal course of business of the company
- b) 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
- 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 (k) of section 2 of the Code on Wages, 2019 (29 of 2019)
- e) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services
- f) activities carried out for fulfilment of any other statutory obligations under any law in force in India

(4) "Net Profits" means the net profit of the Company as per its financial statements prepared in accordance with the applicable provisions of the Companies Act, but shall not include (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.

(5) "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.

Constitution of CSR Committee:

Pursuant to Section 135 of the Companies Act, 2013, the Board of Directors of the Company is required to constitute a Committee of Directors called “Corporate Social Responsibility Committee” (“CSR Committee”). The Corporate Social Responsibility Committee (‘CSR Committee’) shall consist of three or more Directors amongst whom at least one shall be an Independent Director. The CSR Committee shall carry out its duties as prescribed under the Act from time to time.

Role of CSR Committee:

- a. To 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 of the Companies Act, 2013 (as amended from time to time).
- b. To recommend the amount of expenditure to be incurred on the activities in a financial year.
- c. To consider and review on the ongoing projects including “Unspent CSR Account”.
- d. To monitor the Corporate Social Responsibility Policy of the company from time to time.
- e. Any other matter/thing as may be considered expedient by the Members of the Committee in furtherance of and to comply with the CSR Policy of the Company.

Responsibilities of the Board

The Board shall:

- a. Form a CSR Committee and disclose the composition of the CSR Committee.
- b. Approve the CSR Policy after taking into account the recommendations made by the CSR Committee.
- c. Approve/modify the activities as recommended by the CSR Committee.
- d. Place the CSR Policy on the Company’s website.
- e. Ensure implementation of the activities under CSR.
- f. Ensure expenditure of requisite amount on CSR every year as per law.
- g. Disclose reasons for not spending the amount (if applicable) in the Annual Report to the Shareholders of the Company.
- h. Ensure that the administrative overheads are not more than 5% of the total CSR Expenditure.



- i. Ensure that the funds so disbursed have been utilized for the purposes and in the manner as approved by Board / CSR Committee and the Chief Financial Officer shall certify to the effect.
- j. Approve transfer of unspent CSR Amount in accordance with the law. The Accounts and Finance Team of NBV shall prepare the statement of spent and unspent CSR amounts and shall assist and facilitate for transfer of the same.

Scope:

The following are the thrust areas and activities covered thereunder:

Program	Activities
Health	<ul style="list-style-type: none">• Nava Bharat Eye Centre• Preventive Healthcare through Health Campaigns• Safe drinking water plants & wash facilities• Toilet blocks in Government Schools
Education	<ul style="list-style-type: none">• Nava Bharat High School• Brahmani Public School• Digital/Physical Infrastructure in Govt. Schools• Free tutorials for economically backward students in Govt. schools• Education development programs such as Spoken English, Mobile Science Laboratory, computer classes, after class tuitions etc.,
Livelihood	<ul style="list-style-type: none">• Nava Bharat Vocational institute• Nava Bharat Skill Development Centre• Women Employment Centre

The CSR Committee may, from time to time, recommend other programs/activities including donations for such activities as may be prescribed under the Act.

CSR Budget:

The budget for the CSR projects is reviewed and recommended by the CSR Committee and approved by the Board. The Board / Committee, as the case may be, shall ensure that the company spends such amounts as may be prescribed under the applicable act(s) / regulations / rules statutory/ regulatory or otherwise.



CSR Expenditure:

CSR expenditure includes all expenses, whether direct or indirect, incurred on the programs undertaken in accordance with the approved CSR budget / plan; provided the board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

Surplus fund

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 six months of the expiry of the financial year.

Where a company spends an amount in excess of requirement of section 135 of the Act, such excess amount may be set off against the requirement to spend 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,
- (ii) the Board of the company shall pass a resolution to that effect

Monitoring & Reporting:

The fundamental goal is to see that all the programs and activities are positive and running successfully. The monitoring mechanisms include visits, meetings and progress/status reporting by the project teams/Company's personnel or such other agencies as may be entrusted with.

The Board of a company shall satisfy itself that the funds so disbursed have been utilised 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.

The Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.



CSR Annual Action Plan (CAAP)

The CSR Committee shall formulate and recommend to the Board of Directors, a CAAP in pursuance of this Policy, which shall include focus areas for the year, the list of projects to be undertaken, manner of execution, fund utilization, monitoring mechanism, etc.

The Board of Directors may approve the CAAP with such further conditions as it deems fit and further alter CAAP at any time during the financial year, as per the recommendation of the CSR Committee, based on the reasonable justification to that effect.

Review of Policy:

This policy may be reviewed from time to time and any changes, the Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect if necessary.

Information dissemination:

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.

The CSR programs undertaken by the Company may be disseminated through Company's website, Annual Reports and other appropriate modes.

Management Commitment:

The Board of directors, management and all employees subscribe to the philosophy of NBV's CSR policy.

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