



CREST
VENTURES

CREST VENTURES LIMITED

**CORPORATE SOCIAL
RESPONSIBILITY POLICY**

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Crest Ventures Limited

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CREST VENTURES LIMITED
CORPORATE SOCIAL RESPONSIBILITY POLICY

1. PREAMBLE

In conformity with the requirements laid down under Section 135 of the Companies Act, 2013 ("**Act**") read with Companies (Corporate Social Responsibility Policy) Rules, 2014 ("**Rules**"), the Corporate Social Responsibility ("**CSR**") Committee of the Board had drafted a CSR Policy, which was reviewed and approved by the Board of Directors at their meeting held on February 14, 2015.

In view of the various Circulars issued by Ministry of Corporate Affairs ("**MCA**") clarifying various aspects of CSR Rules and also certain amendments made to Schedule VII to the Companies Act, 2013 to enhance the list of activities that will qualify as CSR activities.

2. BACKGROUND AND OBJECTIVE

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

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. It aims in enhancing welfare measures that positively impacts the society at large with minimal resource footprint. This policy specifies the projects and programmes that can be undertaken in terms of Companies Act, 2013.

3. CSR PROJECTS / PROGRAMS

The Company proposes to serve the society by undertaking CSR projects/programs/activities and proactively responding to the needs of the community.

The Company proposes to adopt one or more of the following CSR projects/programs/activities in pursuance of its statutory obligation laid down in Section 135 of the Companies Act, 2013 including Schedule VII of the Companies Act, 2013, as amended from time to time. However, following activities undertaken by the Company shall not constitute as CSR projects/programs/ activities, namely:

- (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 Companies Act, 2013;
- (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.

4. CSR COMMITTEE OF THE BOARD

Board of Directors of Crest Ventures Limited (“CVL”) shall constitute a CSR Committee consisting of at least three Directors, out of which at least one Director shall be an Independent Director. For the relevant financial year, the Board’s Report shall disclose the composition of the CSR Committee.

The Board of Directors may expand/reconstitute this Committee from time to time.

5. ROLE OF CSR COMMITTEE

The Board of Directors of the Company has constituted a CSR Committee. The CSR Committee will play the following crucial role in fulfilling the Company’s objectives:

- Formulate and recommend to the Board of Directors, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- Recommend the amount of expenditure to be incurred on the CSR activities;
- Formulation of a transparent monitoring mechanism for ensuring implementation of the projects/programmes/activities proposed to be undertaken by the Corporation or the end use of the amount spent by it towards CSR activities;
- Formulate and recommend to the Board of Directors, an annual action plan, which shall include the following namely:
 - (i) List of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act, 2013;
 - (ii) Manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4;
 - (iii) Modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - (iv) Monitoring and reporting mechanism for the projects or programmes;

- (v) details of need and impact assessment, if any, for the projects undertaken by the Company.
- Monitor and implement the policy from time to time;
- Adhere to Section 135 of the Companies Act, 2013 & Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modifications, amendments or re-enactments thereto for the time being in force);
- All other activities as informed or delegated by the Board of Directors from time to time.

6. BUDGET

- a) The Board of Directors of the Company to ensure that minimum of 2% of the average net profits made during the three immediately preceding financial years is spent on CSR initiatives/activities undertaken by the Company.
- b) The Board shall ensure that the administrative overheads shall not exceed such % as specified in the rules of total CSR expenditure of the Company for the financial year.
- c) If the Company fails to spend minimum amount, the Board of Directors shall, in its report made under clause (o) of sub-section (3) of Section 134 of the Companies Act, 2013, specify the reasons for not spending the amount and unless the unspent amount relates to any ongoing project referred to in sub-section (6) of Section 135 of the Companies Act, 2013, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- d) Any amount remaining unspent under sub-section (5) of Section 135 of the Companies Act, 2013, pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by the Company, shall be transferred by the Company in accordance with the provisions of Section 135 of the Companies Act, 2013 and rules made there under;
- e) If the Company spends an amount in excess of the requirements, then the Company may set off such excess amount against the requirement to spend for immediate succeeding three financial years, provided that the Board of the Company passes a resolution to that effect and in such manner, as may be prescribed and subject to the conditions as specified in the rules;
- f) Any surplus arising out of the CSR activities shall not form part of the business profit of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account 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.



- g) The CSR amount may be spent by the Company for creation or acquisition of a capital asset, which shall be held by:
 - i) A Company established under Section 8 of the Companies Act, 2013, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number; or
 - ii) Beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
 - iii) A Public Authority.

7. CSR IMPLEMENTATION

1. The Board shall ensure that the CSR activities are undertaken by the Company itself or through:
 - a) A Company established under Section 8 of the Companies Act, 2013, or a Registered Public Trust or a Registered Society, registered under Section 12A and 80G 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 Companies Act, 2013, 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
 - d) A Company established under Section 8 of the Companies Act, 2013, 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.
2. Every entity, covered above, who intends to undertake any CSR activity, shall be registered with the Central Government.
3. The Company may also collaborate with other Companies for undertaking projects or programmes or CSR activities in such a manner that the CSR Committees of respective Companies are in a position to report separately on such projects or programmes in accordance with these rules.
4. The Board of the 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.
5. In case of ongoing project, 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.

8. CSR MONITORING & REPORTING

1. The Board's Report of the Company covered shall include an Annual Report on CSR containing particulars specified under the Annexures contained in Companies (Corporate Social Responsibility Policy) Rules, 2014.
2. (a) In case, the Company is having average CSR obligation of Ten Crore Rupees or more in pursuance of subsection (5) of Section 135 of the Companies Act, 2013, in the three immediately preceding financial years, the Company shall undertake impact assessment, through an Independent Agency, of their CSR projects having outlays of One Crore Rupees or more, and which have been completed not less than one year before undertaking the impact study;
(b) The impact assessment reports shall be placed before the Board of Directors and shall be annexed to the Annual Report on CSR.
(c) If Company is undertaking impact assessment, the same may be booked as an expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or Fifty Lakh Rupees, whichever is less.
3. Display of CSR activities/projects on its website:

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

9. PENALTY FOR CONTRAVENTION/ NON-COMPLIANCE

If the Company is in default in complying with the provisions of sub-section (5) or sub-section (6) of Section 135 of the Companies Act, 2013, the Company shall be liable to a penalty of twice the amount required to be transferred by the company to the Fund specified in Schedule VII or the Unspent Corporate Social Responsibility Account, as the case may be, or One Crore Rupees, whichever is less, and every officer of the Company who is in default shall be liable to a penalty of one-tenth of the amount required to be transferred by the Company to such Fund specified in Schedule VII, or the Unspent Corporate Social Responsibility Account, as the case may be, or Two Lakh Rupees, whichever is less.



10. REVISION / AMENDMENT

In case of any ambiguity or clarification with regard to any provision of CSR Policy and in respect of any matters not covered herein, a reference may be made to the CSR Committee and/or Board of Directors. In all such matters, the interpretation and decision of the Board of Directors shall be final.

Any or all provisions of the CSR Policy would be subject to revision/amendment by the Board of Directors of the Company in accordance with the Companies Act, 2013 and rules made thereunder.
