



CDSL VENTURES LIMITED

Corporate Social Responsibility Policy

Version Control

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1. Introduction & Background

CDSL Ventures Limited (CVL) is a wholly owned subsidiary of Central Depository Services (India) Limited (CDSL), a leading securities depository in the country. CVL is the first entity to get approval from SEBI to act as a KYC Registration Agency (KRA). It has created the necessary infrastructure for handling the KYC in accordance to the KRA Regulations (2011). Since 2007, until issuance of KRA Regulations, CVL was the only entity authorized to process KYCs of investors in Mutual Fund Industry. The other areas of business of CVL are document processing, RTA, GSP, eSign AUA/KUA and NAD

1.1 CVL CSR policy has been largely guided by CDSL's CSR Policy. CVL has been carrying out various Corporate Social Responsibility (CSR) projects, which it has supported directly in compliance with the requirements of Section 135 of the Companies Act 2013 read with Companies (Corporate Social Responsibility Policy) Rules 2014 (herein after referred to as "CSR Rules"). CVL supports directly or through the Prime Minister's National Relief Fund.

2. CSR Vision:

2.1 Enriching lives to create a healthier and happier world in which everyone can thrive through social, environmental and economic progress in ethical manner, with transparency and by adopting better corporate governance, continuously.

3. CSR Mission:

3.1 To be a responsible organization for uniquely placed to help to increase sustainable innovation to the community development, education and beyond.

3.2 To support and focus on financial literacy through education.

3.3 To create a framework to identify the beneficiaries, appropriate projects in compliance with the Schedule VII of the Companies Act, 2013.



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- 3.4 To employment enhancing skill through vocational training by providing shelter and kits.
- 3.5 To encourage rain water harvest projects or schemes.
- 3.6 To provide proper shelter, vocational training kits, medical facility center to the disabled and differently abled.
- 3.7 To ensuring environmental sustainability and social business projects.
- 3.8 Contributing to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief.

4. CSR Philosophy:

- 4.1 CVL firmly believes that the Corporate Social Responsibility (“**CSR**”) must go beyond the scope of corporate philanthropy in execution to ensure that the target beneficiaries are truly better off and as such leaves a perceptible impact on their lives. Therefore, the CSR activities that CVL undertakes are such that the target beneficiaries are not based on any caste, creed, religion, region, language or any other criteria which negates basic tenets of humanity. It also aims to involve / engage the employees of the company / group companies in order to nurture a culture of “paying back to society” which leaves them with a sense of fulfilment of their social commitments.

5. Scope and Applicability:

This policy is applicable to CVL.



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6. CSR Committee Composition and Role of CSR Committee:

- 6.1 CVL has constituted a robust and transparent governance structure to oversee the implementation of its CSR Policy, in compliance with the requirements of Section 135 of the Companies Act, 2013 read with the CSR Rules. The Board of directors of CVL have formed a CSR Committee, which will report to the Board of Directors of CDSL.
- 6.2 CVL's CSR Committee shall consist of 3 (three) Board Members or more.
- 6.3 The CSR Committee will carry out the following functions:
- a) Formulate and recommend to the Board, a CSR policy in compliance with section 135 of the Companies Act, 2013;
 - b) Identify and approve the activities to be undertaken as specified in Schedule VII of the Companies Act, 2013
 - c) Recommend the amount of expenditure to be incurred on CSR activities.
 - d) Institute a transparent monitoring mechanism for implementation of the CSR activities and monitor the CSR policy from time to time; and
 - e) such other functions as the Board may deem fit.
- 6.4 CVL shall setup its own CSR team or associate with CDSL for implementation of the directives of the CSR committee and the Board for CSR activities. In case of an association with CDSL, the CSR team shall consist of the members of the Executive Management Committee of CDSL. The CSR team shall formulate a formal process of evaluation of the CSR activities under the guidance of the CSR Committee.



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7. CSR Guiding Principles / Focus Areas for activities:

7.1 The scope of activities / focus areas shall be in accordance with the activities mentioned in the Schedule VII of the Companies Act, 2013 and inter-alia covering the below mentioned key thrust area:

- a) Promoting education, including special education, financial literacy and employment enhancing skills especially among the children, women, elderly and the differently abled and livelihood enhancement projects;
- b) Contribution to incubator as permitted under the Act and rules made thereunder;
- c) contribution to the prime minister's national relief 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
- d) Contribution to support disaster management and relief activities and any other cause as determined by the CSR Committee / Board.
- e) Any other activity as permitted under the Act.

8. The Geographic Reach:

8.1 It should be endeavored to CSR spends in the vicinity and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility. However, the Committee may identify such areas other than stated above, as it may deem fit and recommend it to the Board for undertaking CSR activities.

9. CSR Budget: Annual spends/Allocation of Fund:

9.1 CVL's total budget for the CSR projects will be decided by the CSR Committee and Board of Directors in accordance with applicable provisions of the Companies Act, 2013 and CSR Rules.



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- 9.2 In line with the Companies Act read with the CSR Rules, CVL will utilise 2% of the average net profit in the previous 3 (three) years on CSR activities within the ambit of Schedule VII of the Companies Act, 2013.
- 9.3 The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.
- 9.4 The tax treatment of CSR spent will be in accordance with the Income Tax Act, 1961 as may be notified by the Central Board of Direct Taxes.

10. Implementation and Project planning:

- 10.1 The Projects covered under CSR activities shall be implemented in all or any of the manners below:
- 10.2 In collaboration with CDSL- its holding Company.
- 10.3 Any other institutions, NGOs, trust, bodies, societies etc. which are not connected to any political party or any organisation serving beneficiaries based on caste, creed, religion, languages etc.
- 10.4 By investing in a company established under Section 8 of the Companies Act, 2013.
- 10.5 By contribution to any Prime Minister's Relief Fund or any other fund setup by Central / State Disaster Management Authority as may be permissible.

11. Monitoring and Administration of CSR Projects:

- 11.1 The CSR Committee will be responsible for monitoring CSR activities and report to the Board from time to time. The Company/CDSL Group CSR representative may visit the sites undertaken for CSR projects on periodic basis and report along with:
- a) Evaluation of Planned progress v/s Actual Progress
 - b) Actual expenditure v/s estimated expenditure as per Approved Budget.



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11.2 The CSR Committee has all the powers to terminate / discontinue or disengage association / support financial or otherwise with any project / CSR activity if it has come to light that the support is being misused or the funds are being diverted / or the project execution is opaque.

12. Reporting For CSR:

12.1 The status of implementation of the projects undertaken for CSR shall be placed before the CSR Committee and further before the Board. The Company will report the CSR spent and project status in the format specified in the Companies Act 2013 and CSR Rules 2014 and shall make necessary disclosure in the Annual Reports. CSR policy recommended by the CSR Committee and approved by the Board shall be displayed on the Company's website and shall be disclosed in the Board's report as well.

13. Miscellaneous:

- 13.1 As per section 135(4)(a) of the Companies Act, 2013, CVL will disclose contents of the CSR Policy on its website, in such a manner, as is prescribed.
- 13.2 In case of any doubt with regard to any provision of the policy and also in respect to matters not specifically covered herein, the same shall be referred to CSR Committee. In such matters, the interpretation and decision of the CSR Committee shall be final.
- 13.3 This policy shall be updated from time to time, by the Company in accordance with the amendments, if any, to the Companies Act, 2013, rules made thereunder or any other applicable enactment for the time being in force.