VAIBHAV VYAPAAR

VAIBHAV VYAPAAR LIMITED

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CORPORATE SOCIAL RESPONSIBILITY POLICY

Document Summary

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CORPORATE SOCIAL RESPONSIBILITY POLICY

1. Introduction:

The new Companies Act 2013 (hereinafter referred to as 'the Act'), has introduced the idea of Corporate Social Responsibility ("CSR") to the forefront and through its "Comply-or-Explain" mandate. It mandates qualifying companies to constitute Corporate Social Responsibility Committee to effectively monitor CSR activities of the Company. Further the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as "CSR Rules") lays down the framework and modalities of carrying out CSR activities which are specified in Schedule VII of the Act.

2. Objective & scope:

The main objective of the CSR Policy is to lay down guidelines for **Vaibhav Vyapaar Limited** (hereinafter referred to as 'the Company') to make CSR as one of the key focus areas and to make a positive contribution to society through high impact, sustainable programs. This Policy covers proposed CSR activities to be undertaken by the Company and examining their alignment with Schedule VII of the Act as amended from time to time. It covers the CSR activities which are being carried out at the various work-center and locations of the Company, for the benefit of different segments of the society, specifically the deprived, underprivileged and differently abled persons.

3. Definitions:

In this Policy unless the context otherwise requires:

3.1 'Act' means Companies Act, 2013, including any modifications, amendments or Re-enactment thereof.

3.2 'Corporate Social Responsibility' (CSR) means and include but not limited to the activities as specified in this policy, but contribution directly or indirectly to the political party, business done by the Company in its normal course, activities only for the benefit of employees and activities done outside India will not be considered as CSR activity;

3.3 'Net profit' means net profit as defined in Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014 as set out below:

Net profit as per 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.

3.4 Words and expressions used in this CSR Policy and not defined herein but defined in The Act shall have the meaning respectively assigned to them in the Act.

4. CSR Activities:

The policy recognises that corporate social responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas as notified under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014:

4.1 Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation (including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation) and making available safe drinking water;

4.2 Promoting education, including special education and employment enhancing vocation skills specially among children, women, elderly, and differently abled and livelihood enhancement projects;

4.3 Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

4.4 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);

4.5 Protection of national heritage, art and culture including restoration of building and sites of historical importance and works of art: setting up public libraries; promotion and development of traditional arts and handicrafts:

4.6 Measures for the benefit of armed forces veterans, war widows and their dependents;

4.7 Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;

4.8 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 Schedule Castes, the scheduled tribes, other backward classes, minorities and women;

4.9 Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;

4.10 Rural development projects;

4.11 Slum area development.

5. Contribution for CSR Activities:

5.1 The Board of the Company shall ensure that the Company spends, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of the Policy;

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

5.3 The surplus arising out of the CSR projects or programs or activities shall not form Part of the business profit of a company and shall be carried forward for spending in the next financial year;

5.4 The contribution in CSR Activities shall only be made in India;

Explanation: if any contribution in CSR Activities is made outside India, the same shall not be considered in calculation of two percent limit as specified in clause (5.1) above;

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

6. CSR Committee:

6.1 Constitution

Pursuant to the provisions of Section 135 of the Act, the Board of Directors shall constitute the Corporate Social Responsibility (CSR) Committee. The Members of CSR shall be appointed by the Board of Directors of the Company which must consist of at least three or more Directors.

The Committee members shall be appointed by resolution of the Board. Each member shall continue as a member unless the member resigns, or is removed by resolution of the Board or otherwise ceases to be a member of the Board.

The Board, or in the event of its failure to do so, the Committee, shall appoint Chair from among the Committee members. If the Chair of the Committee is not present at any meeting of the Committee, the Chair of the meeting shall be chosen by the Committee from among the members present.

The Secretary to the Board shall serve as Secretary to the Committee.

6.2 Frequency of the Meetings of the CSR Committee

The CSR Committee shall meet at least once in a Year. Members of the CSR Committee can agree upon mutually regarding time and place for the said meetings.

Quorum for the meeting should be two. The Members of the Committee may participate in the meeting either in person or through video conferencing or other audio-visual means in accordance with the provisions of the Companies Act, 2013 and rules made there under from time to time. Minutes of the CSR Committee shall be placed before the Board for noting.

6.3 Powers of the 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 and make any revisions therein as and when decided by the Board;

(b) To review and recommend the amount of expenditure to be incurred on the activities referred to in (a);

(c) Approve to undertake CSR activities in collaboration with Group Companies / other Companies/firms/NGOs etc. and to separately report the same in accordance with the CSR Rules.

(d) To monitor the Corporate Social Responsibility Policy of the company and its implementation from time to time;

(e) Create transparent monitoring mechanism for implementation of CSR Initiatives in India

(f) To do such other acts, deeds and things as may be required to comply with the applicable laws and to perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI Listing Regulations or statutorily prescribed under any other law or by any other regulatory authority."

7. Implementation

7.1 The Board may decide to undertake its CSR activities approved by the CSR Committee through a registered trust or registered society or company established by the Company under the Companies Act, 2013;

7.2 The Company may also collaborate with other companies for undertaking projects or programs 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 programs in accordance with these rules;

7.3 Companies may build CSR capacities of their own personnel as well as those of their implementing agencies through Institutions with established track records of at least three financial years but such expenditure shall not exceed five percent of total CSR expenditure of the company in one financial year.

The Committee shall assist with deliberations required for the fulfilment of the Board's mandate and those specific responsibilities and duties assigned to the Committee; however, unless specifically stated otherwise, the Committee shall act in advisory capacity only, recommending decisions to the Board for approval.

8. Monitoring and Reporting

8.1 The CSR Committee shall monitor and review the progress of activities undertaken/ completed;

8.2 The Committee shall meet periodically;

8.3 The Board of Directors of the Company should periodically review the Implementation of the Policy and CSR Activities;

8.4 The Board Report shall contain a section of Annual Report on CSR as per the format prescribed under the Rules.

9. Disqualifying Activities for CSR

The CSR Rules prohibit the CSR projects and programs that are implemented by the Company only for benefit of the employees of the Company and their families. The CSR activities implemented outside India also fall outside the purview of the Rules and hence CSR expenditure on such activities will not be considered for inclusion in the CSR Report. Any amount directly or indirectly contributed towards any political party under Section 182 of the Act shall not be considered as CSR Spend. Activities that are undertaken by the Company in pursuance of its normal course of business will not be considered as CSR

activities. Other contributions/ expenses not recognized under the Act/ Rules as amended or modified, from time to time.

10. Reporting

The Company reports its CSR performance along with its annual performance as a combined report. The Board Report shall contain a section of Annual Report on CSR as per the format prescribed under the Rules.

11. CSR Budget and Utilization

CSR Committee will recommend the annual budgeted expenditure for each project to its consideration and approval and shall be utilized on approved projects in accordance with CSR policy.

12. Amendments to the Policy

The Board of Directors may amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision /amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.

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