

CORPORATE SOCIAL RESPONSIBILITY POLICY

Contents

| | | |
|-----|---|----|
| 1. | Concept and Vision | 3 |
| 2. | Objectives of The Policy | 3 |
| 3. | Applicability | 4 |
| 4. | CSR Initiatives and Activities | 4 |
| 5. | Goals | 6 |
| 6. | CSR Budget | 7 |
| 7. | Implementation | 7 |
| 7.1 | CSR Committee | 7 |
| 7.2 | CSR Initiatives and Activities | 7 |
| 7.3 | Guiding Principles | 8 |
| 7.4 | Role of Board of Directors | 10 |
| 8. | Specialized Executing Agencies/Partners | 10 |
| 9. | Area of CSR Initiatives and Activities | 11 |
| 10. | Display of CSR Activities | 11 |
| 11. | General | 12 |

1. Concept and Vision

The company strongly believes that sustainable community development is essential for harmony between the community and the industry. It endeavours to make a positive contribution to the underprivileged communities by supporting a wide range of socio-economic, educational and health initiatives. Also, it is committed to integrate its business values and operations to meet the expectations of all its stakeholders.

In this regard, the Company has made this policy which encompasses the Company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large and is titled as the "CSR Policy" which is based as per The Companies (Corporate Social Responsibility Policy) Rules, 2014 initiated by the Central Government under the relevant provisions of Section 135 of the Companies Act, 2013 and Schedule VII of the said Act.

This CSR Policy shall apply to all corporate social responsibility initiatives and activities undertaken by the Company for the benefit of different segments of the society and for enhancement of the fields like education, health care, environment, employment, promoting gender equality and women empowerment etc. more particularly described below.

2. Objectives of The Policy

The objectives of this policy are to:

1. Demonstrate commitment to the common good through responsible business practices and good governance.
2. Actively support the state's development agenda to ensure sustainable change.
3. Set high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models.

3. Applicability

1. The Company, CSR policy has been developed as per Section 135 of the Companies Act, 2013 (referred to as the Act in this policy) on CSR and in accordance with the CSR rules (hereby referred to as the Rules) notified by the Ministry of Corporate Affairs, Government of India in 2014.
2. The Policy shall apply to all CSR projects/programmes undertaken by the Company in India as per Schedule VII of the Act as amended from time to time.
3. This policy shall be applicable to the Company including all its subsidiaries, and all their employees.

4. CSR Initiatives and Activities

The Company may adopt any one or more of the following initiatives and activities as enumerated in Schedule VII of the Companies Act, 2013 or as may be amended from time to time under this CSR Policy

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
2. Contributing or collaborating with registered trust, voluntary organizations, academic institutes, government or a registered society or a company undertaking CSR activities
3. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects
4. 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
5. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, 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
6. Protection of natural 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 arts and handicrafts
7. Measures for the benefit of arm forces verterans, war windows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows
8. Training to promote rural sport, nationally recognized sports, Paralympic sport and Olympic sports
9. 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



10. Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs)
11. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
12. Rural development projects
13. Slum area development
14. disaster management, including relief, rehabilitation and reconstruction activities.

Any of the aforesaid initiatives and the activities that may be undertaken by the Company will be referred to as "CSR Initiatives and Activities" hereinafter.

For the purpose of this item, the term "slum area" shall mean the 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.

Any expenditure incurred towards below mentioned projects/programs/activities shall not be construed as CSR.

1. activities undertaken in pursuance of normal course of business of the company.
2. 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.
3. contribution of any amount directly or indirectly to any political party under section 182 of the Act.
4. activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019.
5. activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services
6. activities carried out for fulfilment of any other statutory obligations under any law in force in India.

5. Goals

Our Goals include the following:

| Sr. No. | Goal Area | Actions |
|---------|---|--|
| 1 | Hunger, poverty, malnutrition and healthcare | Vakrangee will work with organisations working in medical or health - related projects such as providing support for cancer treatment, cataract surgeries, etc. |
| 2 | Education | To Provide grants to various colleges in India for improving their infrastructure. Sponsor chairs and create endowment funds for the colleges/ universities to assist students with their studies. |
| 3 | Rural and Social Development | We believe that the well - being of people living in rural ares ensures sustainable development. We will work with local administrators to achieve community development goals. We will partner with governments and NGOs and support them in improving infrastructure such as constructing roads, providing drainage systems and electricity, and rehabilitating natural - disaster affected victims in rural ares. |
| 4 | Gender equality, environmental sustainability, art and Culture. | Vakrangee will, among other things, focus on promoting gender equality and empowering women, ensuring environmental sustainability, ecological balance, protection of flora and fauna and protection of national heritage, art and culture including restoration of buildings and sites of historical importance. |

6. CSR Budget

CSR Committee will recommend the annual budgeted expenditure project wise to the Board for its consideration and approval.

For achieving its CSR initiatives and activities through implementation of meaningful and sustainable CSR programmes, the Company will endeavor to allocate, in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. For the purpose of the CSR Policy the 'net profit' of the Company shall mean the net profit as defined in the Gazette of Government of India vide its G.S.R. notification dated 27th February 2014.

"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:-

1. Any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
2. 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 net profit in respect of a financial year for which the relevant financial Statements were prepared in accordance with the provisions of the Companies Act, 1956, (1 of 1956) shall not be required to be re-calculated in accordance with the provisions of the Companies Act, 2013:

7. Implementation

7.1 CSR Committee:

CSR Initiatives and Activities will be initiated by a committee comprising of 3 (Three) members and the composition of the Committee shall be in accordance with the provisions of section 135 of the Companies Act, 2013. The Corporate Social Responsibility Committee shall:

1. 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
2. recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
3. monitor the Corporate Social Responsibility Policy of the company from time to time.
4. formulate and recommend to the Board, an annual action plan in pursuance of CSR policy.
5. Analyse need of an impact assessment, if any, for the projects undertaken by the company.

7.2 CSR Initiatives and Activities:

The company endeavors to make CSR a key business process for sustainable development. The Company strongly believes that the sustainable community development is essential for harmony between the community and the industry. It is committed that to integrate the its business values and operations to meet the expectations of all its stakeholders.

In pursuing its CSR activities, 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 Companies (Corporate Social Responsibility Policy) Rules, 2014.

A company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as well as for capacity building of their own personnel for CSR.

The Company may build CSR capacities of its own personnel as well as those of its implementing agencies through institutions with established track records of at least three financial years but such expenditure shall not exceed 5% of the total CSR expenditure of the Company in one financial years.

The time period and/or the duration over which a particular CSR Initiative and Activity will be spread will depend on its nature, extent of coverage and the intended impact of the said initiative or activity which will be determined by the CSR Committee.

7.3 Guiding Principles:

To attain its CSR objectives in a professional manner and integrated manner, the company shall

1. Undertake proactive engagement with stakeholders to actively contribute to the socio-economic development of the periphery/community in which it operates.
2. Using environment friendly and safe processes in production.
3. Create a positive footprint within the society by creating inclusive and enabling infrastructure/environment for liveable communities.
4. Ensure environmental sustainability by adopting best ecological practices and encouraging conservation/judicious use of natural resources.
5. Work towards mainstreaming the marginalized segments of the society by striving towards providing equal opportunities and making meaningful difference in their lives
6. Focus on educating the girl child and the underprivileged by providing appropriate infrastructure, and groom them as future value creators.
7. Assist in skill development by providing direction and technical expertise to the vulnerable thereby empowering them towards a dignified life.
8. Emphasize on providing basic nutrition/health care facilities with special focus on establishing health centers for the mother and child as well as the elderly.
9. Facilitate water conservation by reducing water consumption at the plants and taking up rain water harvesting projects.
10. Create a business value chain which is sustainable – environmentally + socially + economically.
11. Promote an inclusive work culture.
12. Work towards generating awareness for creating public infrastructure that is barrier free, inclusive and enabling for all including the elderly and the disabled.
13. Create positive awareness towards the need to adopt measures that lead towards reducing carbon footprints, dependence on fossil fuels and promote alternate energy approaches.
14. Promoting the well-being and development of employees and their families through an inspiring corporate culture that engenders good values.



15. Employee participation is an important part of developing responsible citizenship. Our company encourages and motivates employees to spend time volunteering on issues of their interest.
16. At the time of national crisis, as a company it is imperative for us to respond to emergency situations & disasters by providing timely help to affected victims and their families.
17. Promote economic, social, educational, infrastructural and health development by providing active support to local initiatives.
18. Create significant difference in the lives of stakeholders by aligning initiatives with sustainable development.
19. Optimum use of physical, financial and natural resources by collaborating with Government Organizations, community based organization, donor agencies, foundations, corporates and other development/likeminded partners.
20. Ensure stakeholders participation in planning and execution of development initiatives to create ownership and accountability.
21. Enhance capacity, skill and competence of employee, development partners, community and other stakeholders to enable them to involve in sustainable development initiatives.
22. Organize local youths to promote Sports, Art and Culture and also create an opportunity for them so that they can represent their country.
23. Ensure People/Community participation during execution of CSR activities.
24. Environment conservation through sustainable initiatives.

7.4 Role of Board of Directors:

1. Review the recommendations made by the CSR Committee.
2. Approve the CSR policy of the Company
3. Disclose the contents of the policy in the Company's report/website
4. Ensure that the Company spends in the every financial year at least two (2) percent of the average net profits made during the three financial years of the Company on CSR activities pursuant to CSR policy of the Company.
5. Satisfy itself that the funds disbursed towards CSR have been utilised for the purposes and in the manner as approved and the Chief Financial Officer or the person responsible for financial management shall certify the same.
6. Board of a Company shall monitor the ongoing projects and the implementation of the same 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.
7. To ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.
8. Shall review and make note of impact assessment reports, if any, which shall be annexed to the annual report on CSR.

8. Specialised Executing Agencies/ Partners

CSR Initiatives and Activities identified under this CSR Policy may also be implemented through specialized executing agencies/partners which could include – voluntary organizations, formal or informal elected local bodies such as Panchayats; Institutes/Academic Institutions; other Trusts; Self Help Groups; Government/Semi Government Agencies/autonomous organizations; Mahila Mandals; Professional Consultancy Organization etc.

The CSR Committee in its discretion may also decide to dovetail and synergize the Company's CSR Initiatives and Activities with the initiatives taken by the aforesaid specialized executing agencies/partners.

The Company may enter into an agreement with any of the Charitable Trusts registered under the provisions of Bombay Public Trusts Act, 1950 or Indian Trust Act, 1882 or a registered society or a company established under Section 8 of the Companies Act, 2013 and also with the implementing specialized executing agency/partner to lay down the manner of contribution made by the Company for its CSR Initiatives and Activities and enable the Company/CSR Committee to monitor the same so as to ensure that the allocation/contribution is spent for the intended purpose only.

In case of CSR initiatives and activities executed by any of the aforesaid specialized executing agencies like NGOs/Trusts/Voluntary organizations, the Board/CSR Committee shall ensure the following criteria:

1. 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.
2. 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.
3. any entity established under an Act of Parliament or a State legislature.
4. 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.

9. Area Of CSR Initiatives and Activities

The CSR Committee shall while spending/contributing the Annual CSR Budget earmarked for the CSR Initiatives/ Activities shall give preference to the local areas and areas around it where the Company operates.

10.Display Of CSR Activities

Appropriate documentation and contents of the Company's CSR Policy, composition of CSR Committee, annual CSR Initiatives/ activities/projects undertaken with the approval of the CSR Committee/Board through any Charitable Trust and/or specialized executing agencies/partners, and information on the CSR expenditure incurred will be available on the Company's website www.vakrangee.in.

Company shall in its Board's Report include an annual report on CSR.

In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report.

The progress of CSR Initiatives and Activities under implementation will be reported to the Board of Directors of the Company on regular basis.

11.General

Any or all provisions of this CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued by Government of India, from time to time. Any amendment in the list of CSR activities under Schedule VII of the Companies Act, 2013 shall apply automatically to this policy without any further amendment to the policy.

The Company also reserves the right to modify, cancel, add, or amend any of the provisions of this CSR Policy.



CORPORATE OFFICE:

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