



**VIPPY INDUSTRIES LIMITED
DEWAS (MP)**

**CORPORATE SOCIAL RESPONSIBILITY POLICY
{CSR-POLICY (Revised)}**



VIPPY INDUSTRIES LIMITED

1. CSR OVERVIEW

“Corporate Social Responsibility” (CSR) is a way of conducting business, by which corporate entities visibly contribute to the social good. The essence of CSR is to integrate economic, environmental and social objectives with the company’s operations and growth. CSR is the process by which an organization thinks about and evolves its relationships with society for the common good and demonstrates its commitment by giving back to the society for the resources it used to flourish by adoption of appropriate business processes and strategies.

The main objective of Vippy’s CSR policy is to make CSR a key business process for sustainable development of society. In its endeavors to mutually achieve the said objective, the Act stipulates the provisions regarding mandatory adherence to the Corporate Social Responsibility practices by the prescribed classes of companies.

2. OBJECTIVE

Corporate Social Responsibility is a form of corporate self-regulation integrated into a business model. Therefore, the Policy will function as a built-in, self-regulating mechanism whereby the business will monitor and ensure its active compliance with the spirit of law, ethical standards and national norms.

The main objective of this Policy is to set guiding principles for carrying out CSR activities by the Company and also to set up process of execution, implementation and monitoring of the CSR activities to be undertaken by the Company.

3. CSR COMMITTEE

i. Composition:

The Corporate Social Responsibility committee (CSR Committee) shall consist of three or more directors and the committee shall be headed by an Independent Director.

ii. Role: the CSR Committee, inter alia shall

- a) Formulate and recommend to the Board the CSR Policy and any amendments thereof

which shall indicate the activities to be undertaken by the Company as specified in schedule VII of the Companies Act 2013;

- b) Recommend the amount of expenditure to be incurred on the activities, as per CSR Policy;
- c) Be responsible for implementation and monitoring the CSR projects or programs or activities of the Company;
- d) Any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.

iii. Meetings: The CSR Committee shall meet as and when necessary

iv. Sitting Fees: No sitting fees shall be payable for attending CSR Committee.

v. Quorum: Quorum of meeting of CSR Committee shall be one third of the total strength or two directors, whichever is higher.

vi. The CSR Committee may invite Executives, Advisors, representatives of Social Organizations, Auditors of the Company and such other person(s) as it may consider necessary to attend the meeting.

vii. The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following namely:-

- a) The list of CSR projects or Programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act.
- b) The manner of execution of such projects or Programmes as specified in sub-rule (1) of rule 4.
- c) The modalities of utilisation of funds and implementation schedules for the projects or Programmes.
- d) monitoring and reporting mechanism for the projects or Programmes and
- e) details of need and impact assessment, if any, for the projects undertaken by the company
- f) Provided that 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.

4. LIST OF ACTIVITIES /PROJECTS

The Company shall undertake any of the following Activities/Projects or such other activities/projects as may be notified by the Ministry of Corporate Affairs from time to time as a part of the Corporate Social Responsibility(CSR):

- i. Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promoting of sanitation and making available safe drinking water;
- ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood

enhancement projects;

- iii. 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;
- iv. 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;
- v. Protection of national 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;
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- vii. Training to promote rural sports, nationally recognized sports, and Olympic sports;
- viii. Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situation Fund (PM Cares Fund) or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Schedule Castes, the Schedule Tribes, other backward classes, minorities and women;
- ix.
 - a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and
 - b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).]
- x. Rural development projects;
- xi. Slum area development;

Explanation.- For the purposes of this item, the term 'slum area' shall mean any 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.

xii. Disaster management, including relief, rehabilitation and reconstruction activities.

The provisions of the Companies Act, 2013 and CSR Rules made thereafter shall have overriding effect vis-a-vis the provisions of this policy.

Periodic review of this policy shall be done to ensure its continued suitability, adequacy and efficacy.

5. FUNDING

In line with extent provisions of section 135 of the Companies Act, 2013 and requirements laid down in the Companies (CSR Policy) Rules, 2014; 2 % of the average net profit of the Company made during the three immediately preceding financial years will be allocated for CSR activities.

CSR budget for the relevant financial year shall be approved by the Board.

5% of annual CSR Budget will be kept as reserve for emergency like disaster, calamity, etc. If the same remains unutilized, it may be used in the last quarter of the financial year for the other activities mentioned in Schedule VII of the Companies (CSR Policy) Rules, 2014.

The Company 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 3 financial years but such expenditure shall not exceed 5% of the total CSR expenditure of the Company in one financial year.

Any 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 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.

If the Company fails to spend, the amount stated hereinabove, then reason for not spending shall be stated in the Directors Report and if the unspent amount is not related to an ongoing project, it shall be transferred to Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. Further if unspent amount is related to an ongoing project shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years

from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

When Company the spends amount in excess of its requirement, such excess amount may be set off against the requirement to spend under sub-section (5) of Section 135 up to immediate succeeding 3 financial years after passing Board Resolution to that effect.

6. IMPLEMENTATION OF CSR ACTIVITIES

The Company may undertake CSR Activities either directly by itself or through a registered trust or registered society or any company established by the Company, its holding or subsidiary company or associate company under section 8 of the Act for such non-for-profit objectives.

Provided that the Company can carry out the CSR Activities through such other institutes having an established track record of 3 (three) years in undertaking the CSR Activities.

The Company may collaborate with other companies for undertaking the CSR Activities subject to fulfillment of separate reporting requirements as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the rules).

The Company should make CSR Contribution through the entities as mentioned in sub-rule 1 of rule 4 but the entity shall have Unique CSR Registration Number on or after 01st April, 2021.

The scope of this policy will extend to activities as stated under Schedule VII of the Companies Act, 2013, as presently in force. The scope of the policy to also include all additional and allied matters, as will be notified by Ministry of Corporate Affairs or such other body, as appointed/notified by Central or State Government, from time to time for this purpose.

CSR programs will be undertaken by the Company to the best possible extent within the defined ambit of the identified Project/Program.

The time period/duration over which a particular program will be spread, will depend on its nature, extent of coverage and the intended impact of the program.

The process for implementation of CSR programs will involve the following steps:

Identification of programs will be done by means of the following:

- i. Need identification studies by the Senior Management/Professional Institutions/agencies.
- ii. Receipt of proposals/ requests from District Administration/local Govt. etc.
- iii. Suggestion from the Board of Directors/Senior Management level.
- iv. Detailed assessment survey.

The Company shall give preference to the local areas and areas where the Company operates.

However, this shall not bar the Company from pursuing its CSR objects in other areas.

7. MONITORING AND FEEDBACK

The administration of the CSR policy and execution of CSR Projects/programs and activities shall be carried out under the overall superintendence and guidance of an internal monitoring group (herein after CSR Team) formed for this purpose.

The internal monitoring group/CSR Team shall consist of:

- i. Managing Director
- ii. Executive Director
- iii. Chief Financial Officer of the Company
- iv. Company Secretary
- v. HR unit head

The CSR Team shall submit its report to CSR Committee formed under the Act.

CSR Team will try to obtain feedback from beneficiaries about the programs implemented at the area.

CSR initiatives of the Company will be reported in the Annual Report of the Company & the Board is Report in compliance with section 135 and rules made there under.

8. PROCEDURE FOR CSR ACTIVITIES

The Committee shall recommend the Board suitable CSR Activities to be undertaken during for the financial year along with the detailed plan, modalities of execution, implementation schedule, monitoring process and amount to be incurred on such activities;

The Board shall give its approval based on the recommendation of the Committee and in compliance of this policy;

The Committee, after approval, shall submit its report giving status of the CSR Activities undertaken, Expenditure incurred and such other details as may be required by the Board.

9. EXCLUSION

The CSR Activities shall not include any activity undertaken by the Company in pursuance of normal course of business of the Company.

The Company shall not make any payment directly or indirectly to Political Party(ies) for CSR Activities.

The CSR projects or programs or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities in accordance with section 135 of the Act.

Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company but should be added in the CSR Fund.

10. ALLIED MATTERS

With regard to CSR activities, Boards Report to state such particulars as stated under Companies (Corporate Social Responsibility) Rules, 2014.

The Company shall display such particulars relating to CSR Policy and activities undertaken there under as stated under Companies (Corporate Social Responsibility) Rules, 2014.

11. GENERAL

In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to CSR Committee. In all such matters, the interpretation & decision of the Committee shall be final.

Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from Government, from time to time.

The CSR Committee reserves the right to modify, add, or amend any of provisions of this policy subject to approval of the Board.
