

“Vippy Spinpro Limited”
Corporate Social Responsibility Policy
(Under Section 135 of the Companies Act, 2013 & Rules made there under)

CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR POLICY)

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1. Title and applicability

- The document describes the Corporate Social Responsibility Policy (“CSR Policy”) of **Vippy Spinpro Limited**. (**“Company”**). It includes Company’s vision, mission and other relevant attributes of Corporate Social Responsibility.
- In term of the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (‘CSR Rules’), the Company has formulated and adopted this Corporate Social Responsibility (‘CSR’) Policy.
- The CSR Policy shall be guided by The Company’s corporate philosophy of respect for the individual and the society at large.
- Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, requires the Company to constitute a CSR Committee of Directors, adopt a CSR Policy, spend at least 2% of its average net profit made during the immediately preceding three financial years towards CSR activities as set out in Schedule VII to the Companies Act, 2013 and confirm compliance thereof in the Annual Report.
- Accordingly, the Board of Directors at its Meeting held on August 10, 2019 approved and adopted the Company’s CSR Policy.

2. Objective

The main objective of this CSR Policy is to lay down guidelines to make CSR a key business process and support programmes aimed at economic development of communities who are unequally endowed. It aims in enhancing welfare measures of the society based on the immediate and long term social and environmental consequences of the Company’s activities in India.

This Policy specifies the projects and programmes that can be undertaken in term of Schedule VII to the Companies Act, 2013 and which the Company plans to undertake during the implementation years, specifies the modalities of execution and the implementation mechanism.

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The scope of the policy has been kept as wide as possible, so as to allow the Company to respond to different situation and challenges appropriately and flexibly, subject to the activities enumerated in Schedule VII of the Companies Act, 2013.

3. Responsibility of the Board of Directors

The responsibility of the Board of Directors shall be as under:

- To approve the CSR Policy & disclose the contents of such policy in its report and also place it on the Company’s website;
- Ensure that the activities proposed in the CSR Policy are undertaken;
- Ensure that the company spends, in every financial year, at least 2% of average net profits of the company made during the 3 immediately preceding financial years, as required under Section 135 of the Companies Act, 2013 & Rules made there under;
- If company fails to spend the sum as mentioned above, then the Board shall, in its Report specify the reasons for not spending the amount.

4. CSR Committee

4.1. Constitution of CSR Committee

A Corporate Social Responsibility Committee (“the CSR Committee”) has been constituted by the Board of Directors to oversee the CSR agenda of the Company. The committee has been formed as per the requirements of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014.

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

Board of Directors shall be empowered to take decision for making or effecting changes in the constitution of the CSR Committee.

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The composition of CSR Committee shall be disclosed in the Board of Directors' Report.

4.2. Role of the CSR Committee

- 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;
- Recommend the amount of expenditure to be incurred on the activities, as per CSR Policy;
- Review the CSR projects/ programmes from time to time;
- Ensure overall governance and compliance for CSR;
- Annually report to the Board of Directors of the Company, the status of the CSR activities and contributions made by the Company; and
- 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.

4.3. Meetings of CSR Committee

Meetings: The CSR Committee shall meet at least once in six months. The meeting shall be held either at the registered office of the company or any other place, as may be decided by the members.

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

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

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

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4.4. Notice of Meeting

At least three days advance notice of every meeting, specifying the day, place and timing of Meeting and the general nature of the business to be transacted there at shall be given to the members. In urgency, a meeting may be convened by shorter notice.

5. **CSR Amount**

The Company shall endeavour to spend in every financial year, at least 2% of its average net profit made during the 3 immediately preceding financial years, in pursuance of its corporate social responsibility and subject to Section 135 of the Companies Act, 2013 and the Rules made thereunder from time to time.

6. **Unspent Fund**

If any amount remains unspent or Company fails to spend such amount as specified, the Board shall specify the reasons for not spending the amount in its Board Report.

7. **CSR Activities**

The Company is hereby devoted to direct its CSR resources, to a reasonable extent, for improving the quality of life of the people by focusing on the social causes, including but not limited to the following areas:

- a) Eradicating, hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- b) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;

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- c) 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;
- d) 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;
- e) 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;
- f) Measures for the benefit of armed forces veterans, war widows and their dependents;
- g) Training to promote rural sports, nationally recognized sports, Paralympics’ sports and Olympic sports;
- h) 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 Scheduled Castes, the Scheduled Tribes, and other backward classes, minorities and women;
- i) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- j) Rural Development Projects;

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- k) Activities related to promotion of road safety as suggested vide General Circular No. 21/2014 dated 18.06.2014 issued by Ministry of Corporate Affairs; and
- l) Any other activities in relation of the above and all other activities which form part of CSR as per Schedule VII of the Act, 2013 as amended from time to time. (collectively herein after referred as ‘ CSR Activities’)

EXCLUSIONS:

Following activities shall be excluded from the CSR expenditure of “Company”:

- a) Activities which are exclusively for the benefit of employees of the company or their family members;
- b) Activities undertaken in pursuance of normal course of business of the Company;
- c) Direct or indirect contribution to political parties;
- d) Surplus arising out of CSR projects shall not form part of the business profits of Company instead the same will be further used for CSR purposes only.
- e) Expenditure on item/s not in conformity with Schedule VII of the Companies Act 2013;

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.

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8. Geographies and beneficiaries

8.1. Geographies

Company will give preference to the local areas around its operations for spending the amount earmarked for CSR activities. Company's operations are mainly concentrated in the following areas:

- State of Maharashtra
- State of Madhya Pradesh
- Company may undertake CSR activities in any other area in India as may be decided, from time to time

8.2. Beneficiaries

The beneficiaries of Company's CSR programs may be the following categories of people:

- Children/students
- Women
- Weaker sections of the society
- Others – society at large

9. Implementation mechanism

The company may conduct / implement CSR programs by itself and/or through registered trusts, societies and / or section 8 (previously section 25) companies with an established track record of at least three years in carrying on activities in the related area/s or as suggested by Ministry of Corporate Affairs vide circulars/notifications.

The company may collaborate or pool resources with other companies to undertake CSR activities and any expenditure incurred on such collaborative efforts would qualify for computing the CSR spending.

The progress will be reported to the CSR Committee during the committee meetings. The progress on CSR programs undertaken by the Company will

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be reported in the Annual Report in the format prescribed by the CSR Rules 2014.

10. Monitoring of CSR programs

The Company’s CSR team shall be responsible for day to day management of CSR related activities of the company. The team shall periodically report to the CSR committee regarding the financial and programmatic progress of CSR projects.

All projects undertaken by Company shall be monitored on a regular basis. On-site monitoring would also be undertaken at least once a year to ensure on-track implementation.

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. 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’s Report in compliance with section 135 and rules made there under.

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The CSR team shall be empowered to appoint an external third party to monitor / review / audit the progress (financial and programmatic) of the CSR projects.

11. 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.

12. 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.

13. Reporting

The CSR Committee shall report to the Board of Directors of the Company, the status of the CSR projects/activities undertaken by the Company as

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part of the Annexure to the Director’s Report, in the Company’s Annual Report.

The Company shall upload this Policy, Annual Report on CSR activities and all other information as statutorily required on its website, www.vppyspinpro.com

14. Amendments to the CSR Policy

CSR Policy may be updated to align it with the changing requirement or changes in the legal and regulatory framework. Any revision in the Policy shall be approved by the Board of Directors.
