

V-GUARD INDUSTRIES LIMITED CORPORATE SOCIAL RESPONSIBILITY POLICY

1.0 Objective

V-Guard Industries Ltd., (hereinafter described as “**the Company**”) since its inception has seen itself as a corporate citizen responsible to the society and has pioneered in undertaking activities which promote various social and charitable objectives. Its association with charitable organizations and women self-help groups to set up manufacturing units for producing its electronic products, providing employment to about 3000 rural women, stands testimony to its social commitment. V-Guard has also, over the years, undertaken various social and charitable activities directly and through NGOs like ‘Rajagiri Outreach’ and its notable initiatives include adoption of the Govt. Higher Secondary School, Vennala situated near to the corporate office with the objective of improving its physical infrastructure and quality of education, educational sponsorship and community development projects at various places, associating with the Heart Care Foundation in its activities for saving lives of Heart patients through installation of AEDs in Public places, associating with Voluntary Agencies and Institutions that promote Blood Donation and Organ Donation for saving lives etc.

In order to carry out the charitable activities in a structured manner and to streamline and provide more focus and direction to the activities undertaken by the Company in its sphere, it is decided to formulate a policy on Corporate Social Responsibility (hereinafter described as “**the Policy**”). This policy has been prepared in line with the requirements of the Companies Act, 2013 (hereinafter described as “**the Act**”).

2.0 Applicability

This policy shall apply to the organization as a whole, including all manufacturing, trading divisions both present and future and corporate office of the company.

3.0 Compliance to Section 135 of the Companies Act, 2013

Section 135 of the Companies Act, 2013 (hereinafter described as “**Section 135**”) and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter described as “**the rules**”) lays down the guidelines to be followed by companies incorporated under the Act while developing their CSR programme and CSR activities are carried out in compliance to the provisions of the Section 135 and the rules made thereunder.

4.0 CSR Committee.

The Company in its meeting of Board of Director dated March 20, 2014, constituted a CSR Committee and the members consisted of:

- a) Mr. Kochouseph Chittilappilly
- b) Mr. Cherian N Punnoose
- c) Mr. Mithun K Chittilappilly

Mr. Kochouseph Chittilappilly ceased to be a member of the Committee effective from April 1, 2020. The Board of Directors of the Company co-opted Mr. B Jayaraj, Director to the CSR Committee as a member.

The Committee is responsible for:

- a) Formulation and recommendation to the Board, a Corporate Social Responsibility Policy (CSR Policy) which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act.
- b) Formulation and recommendation of CSR annual action plan for each financial year.
- c) Monitor the Corporate Social Responsibility Policy of the Company from time to time.
- d) Recommend the amount of CSR budget for carrying out the activities referred to in clause (a) above.
- e) Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.

5.0 The CSR Policy.

This Corporate Social Responsibility Policy has been formulated and recommended by the CSR Committee of the Company pursuant to the provisions of Section 135(3)(a) of the Act, Schedule VII of the Act and the rules and the same has been approved by the Board of Directors.

6.0 The CSR Budget

The amount of expenditure to be spent for CSR and the projects, programmes or activities undertaken in each financial year will be recommended by the CSR Committee of the Company and the same will be approved by the Board of Directors with or without modification in their first meeting held in each financial year. If in any financial year the Company couldn't spend the budgeted amount due to any reason whatsoever, the unutilized amount will be carried forward and added to the budget of the next financial year.

If in any financial year, the Company spends an amount exceeding the approved budget, such excess amount could be set off against the budget amount of immediate succeeding three financial years subject to the approval of the Board by way of a resolution to the effect and any surplus generated out of CSR activities shall not be considered as excess amount for the purpose of setting off.

7.0 Territory for CSR spend

The Company shall give preference to the local area and areas around the branches, warehouses, marketing and administration offices and factories of the Company for spending the amount earmarked for CSR activities. The activities will be restricted to the geographical boundaries of India.

8.0 Ongoing Project

Ongoing Project means a multi-year project that will be undertaken by the Company under any of the programme heads with a timeline for execution not exceeding three

financial years excluding the financial year in which it was commenced and shall include such project which is initially not approved as a multi-year project but the duration of which has been extended beyond one year by the Board based on reasonable justification.

9.0 Annual Action Plan

The Annual Action plan shall include the followings;

- 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:

Board of Directors of the Company shall alter such plan at any time during the financial year as per the recommendation of the CSR committee, based on the reasonable justification to that effect.

10.0 Activities to be undertaken in areas or subjects

The activities will be executed directly or through V-Guard Foundation (a Section 8 company formed by the Company) or through registered and accredited trust, any other section 8 company, society or NGO or in collaboration with other companies.

The Company shall be undertaking activities in the following areas or subjects;

10.1 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

- a) Participating in the mid-day meal programs, providing financial assistance to orphanages, old age homes, child welfare organizations etc. for purchase of cereals, grocery, pulses etc. for providing nutritional food to the children and inmates.
- b) To spread awareness about the lifestyle to be followed to prevent disease like diabetes, cardiac and respiratory diseases and lifestyle disorders.
- c) Promoting camps against use of alcohol, smoking, drug abuse etc.
- d) Partnering with organizations which volunteer for detection and prevention of chronic diseases, by conducting medical camps and other activities.
- e) To associate with schools, self-help groups, old age homes in setting up sanitation facilities and safe drinking water.

- f) To assist in installation of water purifiers, pumps and digging / renovation of wells in villages, townships, rural areas etc.
- g) To provide all assistance to poor people to prevent diseases.
- h) To support in setting up makeshift hospitals, temporary COVID Care facilities or creating health infrastructure for COVID care.
- i) To support in establishment of medical oxygen generation and storage plants.
- j) To provide support in manufacturing and supply of Oxygen concentrators, ventilators, cylinders and other medical equipment for countering COVID-19 or such similar activities.
- k) Any other projects related to the above.

10.2 Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects

- a) To provide Education Kit comprising study material, uniforms etc. to the poor students of Govt./ Govt. aided Schools.
- b) Adoption of Govt. / Govt aided Schools and / or providing financial assistance to set up various infrastructure facilities.
- c) To provide financial assistance to promote vocation skills among children, women, elderly and differently abled people.
- d) To extend support /educational assistance to children from financially backward families and underprivileged community as part of the company's social responsibility.
- e) To provide cash awards to students studying in School / Colleges and has secured high academic / professional records.
- f) Any other projects related to the above.

10.3 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

- a) Activities to prevent discrimination of girl child and promote girl education and employment.
- b) Activities for women empowerment and health care of pregnant women.
- c) Support old age homes.

- d) Support orphanages.
- e) Any other project related to the above.

10.4 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.

- a) In Association with various local authorities, as part of promotion of green environment, conduct awareness programs / distribute reusable recyclable carry Bags to various households.
- b) To provide all support for encouraging organic farming
- c) Any other projects related to the above.

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

- a) To provide financial assistance to local museums, heritage centers for upholding the heritage value.
- b) To set up public libraries in association with local authorities in rural areas.
- c) Any other projects related to the above.

10.6 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.

- a) Any project related to the above.

10.7 Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports

- a) To provide financial assistance to centers engaged in promoting sports / providing training to promote rural sports, nationally recognized sports and Olympic sports.
- b) Any other projects connected related to the above

10.8 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 Government for socio-economic development and relief and welfare of the Schedules Castes, the Scheduled Tribes, other backward classes, minorities and women.

- a) Any activity related to the above.

10.9 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;

- a) To provide financial assistance to labs & R & D centers situated at institutions of national excellence and other academic institutions which are approved by the Central Government.
- b) Any other activity related to the above

10.10 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)

- a) Contribution to public funded universities and certain Organisations engaged in conducting research in science, technology, engineering, and medicine
- b) Any activity related to the above.

10.11 Rural Development projects

- a) To carry out or provide financial assistance to various rural development projects in association with local bodies.
- b) Any other project related to the above.

10.12 Slum area development

10.13 Disaster management, including relief, rehabilitation and reconstruction activities

10.14 Any other activities / programmes / initiatives, which are in conformity with the activities to be undertaken in areas or subjects specified in Schedule VII to the Act (as amended from time to time by way of issue of circular/ notifications/ guidelines by the competent authority)

10.15 Activities for creation or acquisition of a Capital Asset which shall be held by

- a) a Company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number. Or
- b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- c) a public authority

11.0 Activities not to be counted as CSR by the Company.

- a) Any amount of expenditure on an item not in conformity or not in line with activities mentioned in the sub-clauses 10.1 to 10.15 of clause 10 above.
- b) Amount spent on projects or programs or activities that benefit only the employees of the Company and their families.
- c) Contribution of any amount to a political party.
- d) Activities undertaken in pursuance of normal course of business of the Company.
- e) 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;
- f) Activities supported by the Companies on sponsorship basis for deriving marketing benefits for its products or services;
- g) Activities carried out for fulfilment of any other statutory obligations under any law in force in India;

12.0 Treatment of Surplus

Any surplus generated from CSR projects undertaken by the Company shall be added back to the same project or to the total CSR budget of the relevant financial year in which the surplus was generated and shall be spend in accordance with the Annual action plan of the Company. These funds will be further used in development of the CSR projects and will not be added to the normal business profits.

13.0 Audit of CSR Expenditure

The CSR expenditure will be audited on quarterly basis by the Internal Audit department of the company to confirm that the spent are for the CSR projects/ programs or activities approved by the Board of Directors of the company and are in conformity with the act, and the rules thereof.

14.0 CSR Monitoring and Reporting mechanism

The CSR Committee shall monitor the amount of expenditure as approved by the Board of Company on a quarterly basis and make report to the Board of Directors on half yearly basis. Apart from the above, the Directors' Report of the Company shall include an annual report on CSR containing the particulars in the prescribed format.

In case of ongoing projects, the Board of the Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and is authorized to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

15.0 Display of the CSR Policy on the website of the Company

This policy approved by the Board of Directors of the Company has been placed on the website of the Company.

16.0 Amendments

The Board of Directors of the Company shall have the power to amend or substitute any of the provisions of this Policy or replace this Policy in its entirety with a new Policy on recommendation of the CSR Committee.