

V-GUARD INDUSTRIES LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

Effective date	01/04/2014
Initiated by	Company Secretary/ C.F.O
Recommended by	CSR Committee of the BoD
Approved by	Board of Directors of the company in its meeting dated 20.03.2014
Policy Contents - Main Policy	7 Pages

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. The Company has also made regular donations to K Chittilappilly Foundation, a Company registered under the provisions of Section 25 of the Companies Act, 1956 (Section 8 of the Companies Act, 2013) engaged in charitable activities and Thomas Chittilappilly Trust, a registered Trust running an old age home for destitute women and a hostel for girl children and is also engaged in other charitable activities, to support their social and charitable activities.

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 will apply to the organisation 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.

Section 135 and the rules are applicable to the Company by virtue of crossing a turnover of rupees one thousand crore and a net profit of rupees five crore during a financial year.

4.0 CSR Committee.

The company in its meeting of Board of Director dated 20th March, 2014, for the first time constituted a CSR committee consisting of following Directors.

- (i) Mr. Kochouseph Chittilappilly
- (ii) Mr. Cherian N Punnoose
- (iii) Mr. Mithun K Chittilappilly

The committee was entrusted the following tasks.

- (a) Formulate and recommend 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) Monitor the Corporate Social Responsibility Policy of the company from time to time.
- (c) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a) above.
- (d) Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company.

5.0 The CSR Policy.

The CSR committee met and deliberated on formulating a CSR policy for the Company taking into consideration various aspects and the requirements under the act and rules.

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 in their meeting held on 20th March, 2014.

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.

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 Areas of activities to be undertaken.

The activities will be executed directly or through registered and accredited trust, section 8 Company, society or NGO or in collaboration with other companies.

The Company shall be undertaking activities in the following areas.

8.1 Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water

- 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.
- To spread awareness about the life style to be followed to prevent disease like diabetes, cardiac and respiratory diseases and lifestyle disorders.

- Promoting camps against use of alcohol, smoking, drug abuse etc.
- Partnering with organizations which volunteer for detection and prevention of chronic diseases, by conducting medical camps and other activities.
- To associate with schools, self-help groups, old age homes in setting up sanitation facilities and safe drinking water.
- To assist in installation of water purifiers, pumps and digging / renovation of wells in villages, townships, rural areas etc.
- To provide all assistance to poor people to prevent diseases.
- Any other projects related to the above.

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

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

8.3 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

- Activities to prevent discrimination of girl child and promote girl education and employment.
- Activities for women empowerment and health care of pregnant women.
- Support old age homes.
- Support orphanages.
- Any other project related to the above.

8.4 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

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

8.5 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

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

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

- Any project related to the above.

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

- To provide financial assistance to centers engaged in promoting sports / providing training to promote rural sports, nationally recognized sports and Olympic sports.

- Any other projects connected related to the above

8.8 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 Schedules Castes, the Scheduled Tribes, other backward classes, minorities and women

- Any activity related to the above.

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

- 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.
- Any other activity related to the above

8.10 Rural Development projects

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

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

- Any amount of expenditure on an item not in conformity or not in line with activities mentioned in the sub-clauses 8.1 to 8.10 of clause 8 above.
- Amount spent on projects or programs or activities that benefit only the employees of the Company and their families.
- Contribution of any amount to a political party.

10.0 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.

11.0 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.

12.0 Display of the CSR Policy in the website of the Company

This policy approved by the Board of Directors of the Company in their meeting held on 20th March, 2014 has been placed in the website of the Company.

13.0 Validity and authority for modification/ amendments

This CSR Policy approved by the Board of the Company is effective from 1st April, 2014 and will be in force till such time it is modified or amended by the Board of Directors on recommendation of the CSR Committee.