



Vaibhav Global Limited

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CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

1. Concept

1.1 Background

Vaibhav Global Limited hereinafter referred to as “VGL or “Company” is engaged in various social initiatives in the area of Education, Mid-day meals & Healthcare services, rural development, slum development etc. The Company is required to formulate a Corporate Social Responsibility (CSR) Policy pursuant to the provisions of the Companies Act, 2013 and the Rules framed thereunder. In order to provide impetus to social initiatives and make the entire process and activities more efficient, it is imperative to outline the Corporate Social Initiatives of VGL into a formal document.

1.2 Title & Scope

- a) This policy shall be called “VGL CSR Policy” as envisaged under Section 135 of the Companies Act, 2013 and the Rules framed thereunder.
- b) It outlines the Company’s philosophy and responsibility as a good and responsible corporate of India and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community in and around its area of operations and other parts of the country.
- c) This policy shall apply to all Corporate Social Responsibility (CSR) initiatives & activities taken up by the Company at the various locations in India, for the benefit of different segments of the society at large, specifically the deprived and underprivileged.

1.3 CSR Vision Statement and Guiding Principles

VGL is committed to build a sustainable enterprise for the benefit of its present and future generations of stakeholders. The Company shall integrate and follow best practices into its business strategies and operations, to manage the three challenges – economic prosperity, social development and environmental integrity.

Towards this commitment, the Company shall:

- a) Build a sustainable enterprise that effectively balances financial strengths with social and environmental responsibilities.
- b) Deliver sustainable top-line and bottom-line growth while maintaining the highest corporate governance standards.
- c) Reduce its environmental footprint by investing in eco-friendly and reliable technologies and practices.
- d) Increase efficiency by optimum utilization of resources and technology.
- e) Promote sustainable farming practices to boost crop productivity in rural India through its soil testing facilities and other advisory services.
- f) Work towards improving the quality of life by making the communities self-reliant in areas within which it operates.
- g) Build lasting social capital through interventions in the infrastructure, healthcare, education, vocational domains and other social welfare initiatives for the community residing in the vicinity of its plants and other places in India.
- h) Ensure welfare, growth and safety of all people associated with the Company.
- i) Empower its employees and continuously develop their knowledge and skill sets, so that they realize their true potential and drive the Company's growth.
- j) Promote inclusive growth and equal opportunity by retaining a caste, gender and religion neutral organization.

1.4 Constitution of CSR Committee

- a) The Committee shall consist of a minimum 3 Directors where one of whom shall be Independent Director.
- b) Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c) Membership of the Committee shall be disclosed in the Annual Report.
- d) Terms of the Committee shall be continued unless terminated by the Board of Directors.

1.5. Chairman

- a) Chairman of the Committee shall be appointed by the Board of Directors or the Committee itself.
- b) Chairman of the Company may be appointed as a member or Chairman of the Committee.
- c) In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

- d) Chairman of the CSR Committee should present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

1.6 Function of CSR Committee

The CSR Committee shall:

- a) Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company in terms of Schedule VII of the Companies Act, 2013 or any amendment thereof.
- b) Recommend the amount of expenditure to be incurred on CSR activities and
- c) Monitor the CSR policy from time to time.

2. Resources

2.1 Funding & Allocation

For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, the Board of Directors of VGL shall ensure that the Company spends at least 2% of its average net profits made during the three immediately preceding financial years, in pursuance of its CSR Policy.

2.2 Mode of Implementation

- a) CSR programs, projects or activities, will be implemented through one or more of the following methods:
 - i) The Chairman of the CSR Committee and as agreed upon in the Committee. ii) CSR Team consisting Group CFO and VP HR.
 - iii) Any other Registered Trust, Society a Company under Section 8 of the Companies Act, 2013 with an established track record of at least three years in carrying out the activities in related areas.
 - iv) In collaboration with other organizations.
- b) The allocated CSR budgets / Corpus will be utilized for CSR activities undertaken within India:
 - i) which are not exclusively for the benefit of employees of the Company or their family members; and
 - ii) which are not undertaken in pursuance of normal course of business of the Company.

3. CSR Activities

The Company shall undertake and execute all or any of the following CSR activities ("CSR projects/ programmes"):

- Eradicating hunger, poverty and malnutrition, in particular, the following activities:
 - Generating awareness on malnourishment and measures to eradicate it.
 - Providing mid-day meal through recognized trust & other institutions.
 - Monitoring growth of children below 5 years age.
 - Developing village level health entrepreneurs to make available the MNP (Micro Nutrient Powder) at low cost.
- Promoting health care including preventive health care facilities to the society through recognized trust or societies and hospitals including the following activities:
 - ICTC center for HIV testing and awareness on HIV/AIDS Immunization.
 - Safe drinking water availability.
 - Engaging health workers locally from the villages for addressing Mother.
 - Taking care of mentally retarded children.
 - Taking care of old age people.
 - Running health center for ANC checkup, pre and post natal care.
 - DOTS center for Tuberculosis.
 - Health clinics for diagnosis of communicable diseases.
- Promoting education through schools and other organization:-
 - Providing education to mentally retarded children.
 - Support the schools for meeting the expenses relating to educational aids and other expenses.
 - Scholarships to students.
 - Improving sanitation- Toilet construction.
 - Setting up libraries.
 - Improving/maintaining infrastructure for education & sports activities.
 - Supporting in teaching aids.
 - Teacher's training.
 - Providing funds for Higher Education for needy students relating to socially and economically backward groups.
 - Providing education to under privilege children.
 - Others- financially, logistically and organizationally.
- Employment enhancing vocational skills, in particular, the following activities: ☐ Vocational training focused on employment generating skills ☐ Entrepreneurship development programmes.

- Promoting gender equality and empowering women, in particular, the following activities:
 - Women centric training programs at Vocational Training Centers.
 - Promoting formation of women SHGs for their economic independence.
 - Providing loans without interest to start micro enterprises.
- Ensuring environmental sustainability, in particular, plantation by school children.
- Rural development projects, in particular, support the community infrastructure for improving sanitation, drainage systems etc.

The CSR Committee may identify other areas for CSR activities, from time to time.

4. Monitoring & Feedback

4.1 The CSR Committee will monitor all CSR projects / programmes. Broadly, the following procedure will be adopted by the CSR Committee:

- Specific projects with locations, budgets and time schedules shall be recommended by the CSR Committee in the beginning of every financial year to the Board for their approval.
- Funds towards particular projects / programmes will be released on requirement basis.
- The CSR Committee would meet as and when required to take note of project wise status of project completion and funds utilization and to compare with budgeted funds and time lines. The minutes of the meetings of the CSR Committee will be placed before the Board.

4.2 CSR Team will also try to obtain feedback from beneficiaries about the programmes or may depute professional to get report for better monitoring, if required.

5. Board Responsibility

The Board of Directors of the Company shall ensure that:

- CSR activities, as per clause 3 of this Policy, are undertaken by the Company.
- the Company spends, in every financial year, at least two percent of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of this Policy.

The reasons for not spending the above amount will be explained in the Board's Report, if the Company fails to spend such amount.

6. Review and Amendment

The Board may amend, abrogate, modify or revise any or all clauses of this Policy, on recommendation of the CSR Committee and in accordance with the provisions of Companies Act, 2013 and rules framed thereunder as and when required and that will be followed by the CSR Committee.

7. Disclosure/ Reporting

The CSR Policy will be displayed on the Company's website i.e www.vaibhavglobal.com

An annual report on CSR containing the particulars as prescribed under the CSR Rules shall form part of the Board's Report of the Company.
