

VELNIK INDIA LIMITED
(Formerly Known as Velnik India Private Limited)

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. Introduction

Velnik India Limited (the “Company”) strongly believes that as a responsible Corporate, it is its moral responsibility to give back to the “Society in which it carries out its business and consider this as a key factor for holistic business growth.

Corporate Social Responsibility is strongly connected with the principles of Sustainability; an organization should make decisions based not only on financial factors, but also on the social and environmental consequences.

Company has always been committed to the cause of social service and has repeatedly channelized a part of its resources and activities in such a manner that it positively affects the society socially, ethically and also environmentally. The Company endeavors to make CSR a key business process for sustainable development. Our Company is committed towards aligning with nature, and has adopted eco-friendly practices.

The Board of Directors (the “Board”) of the “Company has adopted this policy and procedures with regard to Corporate Social Responsibility. The Board may review and amend this policy from time to time subject to the recommendations of Corporate Social Responsibility Committee.

2. SCOPE

Schedule VII of the Companies Act, 2013, contains the activities which may be considered as eligible for CSR activities. Company may undertake one or more project/s under any or all of the following areas or such other area that may, under the law for the time being in force, be permissible: -

- I. Eradicating hunger, poverty and malnutrition, promoting preventive health care and 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;***

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- 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, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;**
- V. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting public libraries; promotion and development of traditional arts and handicrafts;**
- VI. Measures for the benefit of armed forces veterans, war widows and their dependents;**
- VII. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;**
- VIII. 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, other backward classes, minorities and women;**
- IX. Contributions or funds provided to technology incubators located within academic institutions, which are approved by the Central Government;**
- X. Rural development projects.**

3. IDENTIFICATION OF CSR POLICY

- I. CSR Projects need to be identified and planned for recommendation of the CSR Committee and approval of the board, with estimated expenditure and phase wise implementation schedules;
- II. The company shall ensure that in identifying its CSR Projects, preference shall be given to the local area and areas around which the company (including its units) operates. However, this shall not bar the company from pursuing its CSR objects in other areas;

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- III. The activity proposed to be undertaken as CSR shall fall within the ambit of Schedule VII of the Companies Act, 2013, as may be amended from time to time.
- IV. Activities undertaken shall be for the benefit of the Society at large.
- V. The CSR Committee may engage external professionals/ firms/ agencies if required for the purpose of identification of CSR projects;

4. GUIDING PRINCIPLES FOR IMPLEMENTATION OF CSR ACTIVITIES

The Company may decide to undertake its CSR activities as recommended by the CSR Committee and approved by the Board, either itself or through:

- I. A company established under Section 8 of the Act or any other registered trust or a registered society, (having section 12A and Section 80 G registration under the Income Tax Act, 1961), established by the Company, either singly or along with any other Company; or
- II. A Company established under Section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; Or
- III. Any entity established under an Act of Parliament or a State legislature; or
- IV. A company established under section 8 of the Act, or a registered public trust or a registered society, (having Section 12A and Section 80G registration under the Income Tax Act, 1961), and having an established track record of atleast three years in undertaking similar activities.
- V. The Company may collaborate with other companies, if required, for undertaking projects or programs or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programs in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

The CSR Committee may engage external professionals/firms/agencies, if required, for the purpose of implementation of CSR Projects or delegate the power to such persons, as it may deem fit.

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If at any time the mode of carrying out of CSR activities is amended in the law, the Company shall carry out its CSR activity as per the mode prescribed under the Act, from time to time.

5. GUIDING PRINCIPLES FOR MONITORING OF CSR ACTIVITIES

- I. Regular review by the CSR Committee of amount spent on each activity and achievements against milestones, to ensure a transparent monitoring process.
- II. Review of Progress Report from Implementation Agencies. Frequency for submission of progress report by Implementing Agencies, shall be at least once in three months.

The monitoring and review mechanism shall be followed for the CSR initiatives, which shall ensure a top-down review and delivery.

The management shall in consultation and through the supervision of the CSR Committee consider projects with detailed programs to be undertaken, proposed amount, timeline and a conformation that such projects are eligible under the Companies Act, 2013 and the rules made thereunder from time to time.

The Company will ensure that every program has:

- Clearly defined objectives and
- Detailed progress monitoring system.

The CSR Committee shall be responsible for overseeing the planning, coordination and implementation of CSR activities and compliance of the same shall be reported to the Board and the same shall be reported to the stakeholders through the Company's Annual Report.

6. FUND ALLOCATION

- I. The Company in every Financial Year shall endeavor to spend such feasible amount as CSR Expenditure, which shall not be restricted by the statutory limit of a specified percentage of its average net profits of the immediately preceding three Financial Years. However, the aforementioned CSR Expenditure in any Financial Year shall be at least 2% of Company's average Net Profits for the three immediately preceding Financial Years:

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- II. Total expenditure in the CSR Annual Plan shall be approved by the Board upon recommendation by the CSR Committee;
- III. In case the Company fails to spend the statutory minimum limit of 2% of company's average net profits of the immediately preceding three years, in any given financial year, the board shall specify the reasons for the same in its report and unspent/unutilized CSR allocation of a particular year will be carried forward to the next year.

7. OTHERS

- I. The CSR Committee shall ensure that major portion of the CSR expenditure in the Annual Plan shall be for the projects as per CSR objectives. However, there shall not be any preference given to any particular projects for budgetary allocation and it shall be made purely as per the identified CSR projects on need basis
- II. The Managing Director of the company is authorized severally to decide on projects to be implemented within the allocation as per the Annual Plan.
- III. Any surplus arising out of the CSR Projects shall not form a part of the business profit of the Company.

8. CSR Committee and its Role

The composition of CSR Committee is given in *Annexure-1* hereof. In case of any change in composition of CSR Committee in accordance with the Act, the Annexure-1 shall be updated and replaced with the new composition of CSR Committee and for such updation in the CSR Policy, no approval of Board and/or CSR Committee is required.

Role of CSR Committee shall include *inter-alia* the following:

- I. Recommend, formulate and implement CSR activities approved by the Board and in compliance with Schedule VII of the Act.
- II. Specify projects and programmes that are to be undertaken, list out the programmes which Company plans to undertake during any financial year and specify the modalities of execution of CSR activities.
- III. Monitor and recommend the amount of CSR Expenditure to be incurred for CSR activities and to ensure it is in line with the CSR Policy.
- IV. The CSR Committee to ensure that the Company spends the minimum

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prescribed CSR amount, as provided in the Act, from time to time.

- V. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in the areas or subject specified in Schedule VII of the Act and to monitor the said CSR Policy of the Company from time to time.
- VI. Any other activity as may be advised by the Board or as may be required by governing law or statute.
- VII. The CSR Committee shall formulate and recommend to the Board for its approval, Annual CSR Action Plan. During the financial year, the Annual CSR Action Plan may be revised/modified/amended by the Board, as per the recommendation of the CSR Committee, based on reasonable justification to that effect. The Annual CSR Action Plan for concerned financial year shall be given as per format prescribed in *Annexure- 2 of this Policy*.

9. Reporting

The Board's Report of the Company shall include an annual report on CSR containing particulars specified in the *Annexure-II* to the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

10. Disclosures

- I. The contents of the approved CSR Policy and any amendment thereto, from time to time shall be disclosed in the Board's Report and shall also be displayed on the Company's website.
- II. The Board shall ensure that the Composition of CSR Committee, CSR Policy and Annual CSR Action Plan for respective financial year is displayed on the Company's website.

11. Amendments to the Policy

Any statutory amendment relating to CSR shall become automatically applicable to this policy from the date it is notified. The Company is committed to continuously review and update policies and procedures related to CSR and if required, to amend this policy, from time to time, to effectively carry out CSR activities.

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Annexure-1**COMPOSITION OF CSR COMMITTEE**

The present composition of the CSR Committee consists of the following members of the Board.

Sr. No.	Name of Director	Designation
1	Mr. Sukhdev Gehlot	Chairman
2	Mrs. Manju Devi Gehlot	Member
3	Mr. Rohit Khandelwal	Member

Annexure-2**ANNUAL CSR ACTION PLAN FOR THE FY****A. CSR Activity Plan**

Sr. No.	Names of CSR Projects/Programmes	Activity under Schedule VII	Manner of Execution (Direct/ Through Implementing Agency)	Allocated Budgets (INR in Lakhs)	Implementation Schedule	Modalities of Utilization of funds in FY	Details of need and Impact assessment, if applicable
1							
2							
3							
4							
5							

B. Monitoring and Reporting Mechanism