

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

OF

VARDHMAN HOLDINGS LIMITED

(U/s 135 of Companies Act 2013 read with Companies (Corporate Social Responsibility) Rules, 2014)

PREAMBLE:

CSR has become a way of conducting business by which corporate visibly contributes to social good and integrates economic, environmental and social objectives with their operations and growth. It is a step forward for the organizations to become socially responsible corporate citizens.

VARDHMAN HOLDINGS LIMITED (VHL) VISION ON CSR:

VHL vision is to pursue a corporate strategy that enables realization of the twin goals of shareholder value enhancement and societal value creation in a mutually reinforcing and synergistic manner.

MISSION STATEMENT ON CSR:

Our mission is to be a committed Corporate Citizen alive towards Social Responsibility with a view to make a positive difference to society.

CSR INITIATIVES BY VHL:

VHL has been making positive contribution to the society since about last 50 years. With a growing realization in the organization to contribute more directly for the upliftment of the society, the interface with society has become multidimensional. Noteworthy contribution has been made in the field of education, vocational training for skill development and environment conservation. The common thread among all the aforesaid different fields is to focus on capacity building for long term sustainable impact on the society.

VHL's initiatives towards CSR in the past includes contribution towards setting up of Aurobindo Public School at Baddi, Sri Aurobindo College of Commerce & Management at Ludhiana, Research on Treated Wastewater for Irrigation Purpose, Capability Enhancement Training Programs, providing aid during disasters/natural calamities and energy saving and conservation of natural resources through environmental management etc.

CSR POLICY UNDER SECTION 135 OF COMPANIES ACT 2013 READ WITH COMPANIES (CORPORATE SOCIAL RESPONSIBILITY) RULES, 2014):

The broad contours of CSR Policy of the Company are as follows:-.

1. **PROMOTION OF EDUCATION:** To continue our endeavor for promoting education by setting up schools, colleges to deliver high quality education to students of all strata of society. It, inter-alia, includes various other initiatives such as grant of scholarships to deserving-needy students, computer education and supply of equipments to students and developing innovative teaching methods. These initiatives are to be taken primarily in the vicinity of Company's operations with a view to ensuring their long term sustainability.
2. **ENVIROMENT PROTECTION AND ENERGY CONSERVATION:** To protect environment and to sustain and continuously improve standards of Environment, Health and Safety through the collective endeavor of Company and its employees at all levels towards attaining world class standards. Also to contribute in conservation and development of natural resources including forest resources.
3. **DEVELOPMENT OF HUMAN CAPITAL:** To encourage the development of human capital through skills development, vocational training programmes.
4. **RURAL DEVELOPMENT:** To contribute to development in rural areas near by unit of the Company and knowledge sharing and other social practices such as soil and moisture conservation and watershed management etc.
5. **OTHER INITIATIVES:**
 - ✓ To contribute to empowering women economically, supplementing primary and secondary education and participating in rural capacity building programmes and such other schemes.
 - ✓ To respond to emergency situations & disasters by providing timely help to affected victims and their families.
 - ✓ Any other project/ programme pertaining to activities listed in Companies (Corporate Social Responsibility) Rules, 2014 and amendments thereto.

MODALITIES OF EXECUTION

1. A three member CSR Committee comprising of one Independent Director has been constituted by the Board of Directors of the Company.
2. The CSR Committee shall decide the amount of expenditure to be incurred by the Company on each project in a financial year on the activities mentioned in this CSR Policy.
3. The Company may carry out CSR activities directly or through approved trusts i.e. Banarso Devi Oswal Public Charitable Trust and Sri Aurobindo Socio Economic & Management Research Institute.
4. The Company may also collaborate with other registered societies, trusts, Companies registered under section 8 of the Companies Act, 2013 etc for carrying out CSR activities provided that such societies, trusts, Companies

shall have an established track record of three years in undertaking similar programmes or projects.

IMPLEMENTATION SCHEDULES

The CSR Committee constituted for this purpose will recommend allocation of funds for various projects from time to time.

MONITORING PROCESS OF PROJECTS

A review of the implementation of projects approved, utilization of funds released to designated agencies will be undertaken by CSR Committee periodically to ensure compliance and efficient utilization of the funds for achieving the intended objectives.