



VIP CLOTHING LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR Policy)

Details of Amendments to the Policy				
Policy Change effective Date	Clause No.	Particulars of the Change	Board Approval Date	Version of Policy
<u>11.05.2017</u>		<u>Pursuant to change of name Company had change its name in its policies.</u>	<u>11.05.2017</u>	<u>1</u>
		<u>Revisited by the board</u>	<u>30.05.2022</u>	

1. CONCEPT:

Pursuant to Section 135 of the Companies Act, 2013 ("the Act") read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (collectively referred as "Applicable Laws"), VIP Clothing Limited ("the Company") has formulated this CSR Policy.

The Company's CSR Policy encompasses its philosophy towards the Corporate Social Responsibility ("CSR"). The Company believes that CSR is:

- i. The corporate's responsibility of conducting business by integrating its economic, environmental and social objectives in such a way that it will contribute for the social good together with its operational growth.
- ii. a process by which an Organization thinks about its relationship with its stakeholders for the common good and demonstrates its commitment for the same.

2. OBJECTIVE:

The objective of CSR policy is:

- i. to lay down guidelines to make CSR a key business process for sustainable development of the Society.
- ii. to undertake the activities as specified in Schedule VII of the Companies Act, 2013, as amended from time to time and expenditure to be incurred thereon.

3. DEFINITION:

- i. "CSR Activities" shall mean the projects and / or programmes undertaken by the Company either directly or indirectly pursuant to Applicable Laws in accordance with this CSR Policy.
- ii. "Rules" means Companies (Corporate Social Responsibility Policy) Rules, 2014, or any other rules prescribed under section 135 of the Act and pertaining to corporate social responsibility, as may be amended and prescribed, from time to time.
- iii. "Ongoing Project" means ongoing projects as defined under Rule 2 of Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.

4. CSR ACTIVITIES AND FOCUS AREAS

VIP Clothing Ltd. will undertake CSR projects related to the list of activities as prescribed under Schedule VII of the Companies, Act, 2013 (as amended) and approved by the Board of Directors of the Company from time to time.

The CSR activities shall not include any activity undertaken by the Company in pursuance of the normal course of business of the Company.

5. CSR EXPENDITURE:

- i. Every year the Company shall spend at least 2% of its average Net profit as defined under the Rules ("CSR obligation") during the three immediately preceding financial years, on the CSR Activities as per approved Annual Action Plan.
- ii. In case the Company undertakes any ongoing project, any amount remaining unspent and earmarked for the ongoing project, shall be transferred within a period of thirty days from the end of the financial year to a special account to be opened for that financial year in any scheduled bank to be called the 'Unspent Corporate Social Responsibility Account', and such amount shall be spent within a period of three financial years from the date of such transfer, failing which, the unspent amount shall be transferred to the Fund to specified in Schedule VII for this purpose, within a period of thirty days from the date of completion of the third financial year.
- iii. Any surplus arising out of CSR projects, programmes or activities shall not form part of the business profits of the Company and shall be utilized towards the eligible CSR Activities / addressed in accordance with Applicable Laws.

6. IMPLEMENTATION AND APPROVAL OF CSR ACTIVITIES

The Board of Directors of the Company will ensure that:

- i. the CSR Activities as are included in Company's CSR Policy are undertaken by the Company or through any other implementation agency;
- ii. the Company spends in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years or such other amount as may be specified by the Government.

The CSR Committee ("Committee") as constituted by the Company shall be responsible for the following:

Identify CSR Activities / Programme to be taken up in a financial year giving preference to the local areas around factories / offices;

- i. recommend the CSR Policy to the Board of Directors of the Company ("Board");
- ii. modalities of execution, implementation schedule, monitoring process and amount to be incurred on such activities;
- iii. monitor the CSR Policy of the Company from time to time;
- iv. such other functions as may be delegated and/or assigned by the Board from time to time.

The Company shall not discriminate against the beneficiaries of the CSR Activities, on any grounds whatsoever and shall endeavor utmost transparency in selection, implementation, monitoring and reporting of CSR Activities.

7. GOVERNANCE

- i. Every year, the CSR Committee will place for the Board's approval, a CSR Plan delineating the CSR Programmes to be carried out during the financial year and the specified budgets thereof. The Board will consider and approve the CSR Plan with any modification that may be deemed necessary.
- ii. The CSR Committee will assign the task of implementation of the CSR Plan within specified budgets and timeframes to such persons or bodies as it may deem fit.
- iii. The persons/bodies to which the implementation is assigned will carry out such CSR Programmes as determined by the CSR Committee within the specified budgets and timeframes and report back on the progress thereon at such frequency as the CSR Committee may direct.
- iv. The CSR Committee shall review the implementation of the CSR Programmes once a quarter and issue necessary directions from time to time to ensure orderly and efficient execution of the CSR Programmes in accordance with this Policy.
- v. Once every six months the CSR Committee will provide a status update to the Board on the progress of implementation of the approved CSR Programmes carried out during the six month period. It shall be the responsibility of the CSR Committee to keep the Board apprised of the status of implementation of the same.
- vi. At the end of every financial year, the CSR Committee will submit its report to the Board.

8. DISCLOSURES:

- i. Annual Report on CSR activities shall be included in the Board's Report forming part of Company's Annual Report.
- ii. The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website for public access.

9. CSR REPORTING:

- i. The Board's Report shall include an annual report on CSR containing particulars as prescribed in CSR Rules.
- ii. In case of any default in respect of CSR spending, Board is required to disclose reasons in its report.

10. GENERAL

- i. In case of any ambiguity or clarification with regard to any provision of Company's CSR Policy and in respect of any matters not covered herein, a reference may be made to the Committee. In all such matters, the interpretation and decision of the Committee shall be final.
- ii. Any or all provisions of the Company's CSR Policy will be subject to revision / amendment in accordance with the amendments in the Act or the rules from time to time.
- iii. The Board may, in accordance with Applicable Laws, alter, amend, review, substitute this Policy as and when required without any prior intimation to any stakeholder for justified reasons.
