



CORPORATE SOCIAL RESPONSIBILITY POLICY

VARDHMAN APPLIANCES LIMITED

CIN: U27509DL2023PLC418176
Plot No. 43, First Floor, Rajasthani Udyog Nagar, Adarsh Nagar, North West Delhi,
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CORPORATE SOCIAL RESPONSIBILITY POLICY OF VARDHMAN APPLIANCES LIMITED

1. PREAMBLE

Vardhman Appliances Limited (“the Company”) undertakes its Corporate Social Responsibility (CSR) activities in compliance with the provisions and rules notified by the Ministry of Corporate Affairs, in alignment with Section 135 of the Companies Act, 2013 (“the Act”) and the Companies (Corporate Social Responsibility) Rules, 2014. CSR is the continuous social business, integrating social & environmental concern in the business operations, behaving ethically & contributing to socio-economic development of local community & society at large. The aim of our CSR activities is to make a positive impact on our people, environment, customers and the communities that we serve. Our CSR policy shall apply to all CSR Projects/Programmes undertaken by the company as per liberal interpretation of activities listed in Schedule VII of the Act, within the geographical limits of India alone, preferably towards the benefit of marginalized, disadvantaged, poor and deprived sections of the community and the environment.

2. CSR VISION STATEMENT & OBJECTIVE:

VISION

The Company aspires to be a responsible corporate citizen, behave ethically & contribute to sustainable development with strategies, policies and actions aligned with wider social, economic & environmental concerns in mind.

OBJECTIVE:

- I. To set up the guiding principles for carrying out CSR activities.
- II. To set up processes for promoting, investing, engaging, collaborating, implementing and monitoring of the CSR activities to be undertaken by the Company.
- III. To conduct its business in line with the Responsible Business framework.
- IV. To create superior value for our stakeholders.
- V. Implementation of the CSR activities in Projects/Programme mode through a focused approach for generating maximum approach.

3. PLANNING AND IMPLEMENTATION

All CSR activities will be in the form of Projects/Programmes, which will, as far as possible, entail the following components:

- ❖ Details of annual financial allocation.
- ❖ Baseline Survey/Need Assessment where considered necessary/feasible.
- ❖ Identification of Beneficiaries.
- ❖ Signing of agreement with implementing agency, (if any).
- ❖ Formulation of detailed Project Report with clear deadlines.
- ❖ Preparation and Implementation of a comprehensive and concurrent documentation procedure.
- ❖ Regular Monitoring & Periodic review of the projects.
- ❖ Evaluation & Assessment by a third party.
- ❖ Mandatory Reporting

4. PROGRESS MONITORING

- a) To ensure effective implementation of the CSR programmes undertaken, a transparent monitoring mechanism will be put in place. The progress of CSR programmes under implementation will be reported on yearly basis.
- b) The CSR department will conduct impact studies on a periodic basis, through independent professional third parties/professional institutions, especially on the strategic and high value programmes, as may be required.
- c) The Board should delegate the responsibility of monitoring that whether the policy as laid down is achieved as per the estimates and work centers and zonal office will also try to obtain feedback from beneficiaries about the programmes.
- d) Appropriate documentation of the CSR Policy, annual CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis.
- e) CSR initiatives of the Company will also be reported in the Annual Report of the Company.

The Board to discuss various issues on implementation of the CSR Policy of the Company. The role of Board is:

- ❖ To formulate/amend a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Act.
- ❖ To consider the amount of expenditure to be incurred on the activities in a financial year.
- ❖ To monitor the Corporate Social Responsibility Policy of the company from time to time.
- ❖ Any other matter/thing as may be considered expedient by the Board members in furtherance of and to comply with the CSR Policy of the Company.

5. Budget

The total amount allocated ("CSR Fund") for the expenditure on CSR Activities for each financial year may include the following:

- (1) Two (2) per cent of the average net profits made during the three (3) immediately preceding Financial Years, calculated as per Section 198 of the Act.
- (2) Any income arising therefrom
- (3) Any surplus arising out of CSR Activities.

The Board would ensure to determine how much of the CSR Fund to be spent and allocated to various CSR Activities to be undertaken.

The Company will report reasons for under spending of the allocated CSR budget for each financial year, if any, in accordance with the provisions of the Act.

6. CSR ACTIVITIES / PROJECTS

Schedule VII to the Act lists down the activities which may be included by companies in their Corporate Social Responsibility policies. The said activities relates to:

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat

- Kosh set-up by the Central Government for the promotion of 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;
 - (iii) 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;
 - (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, including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
 - (v) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts
 - (vi) Measures for the benefit of armed force veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
 - (vii) Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
 - (viii) Contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
 - (ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government
- (b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- (x) Rural development projects
 - (xi) Slum area development.
 - (xii) Disaster management, including relief, rehabilitation and reconstruction activities

7. REPORTING

The progress report of the activities undertaken shall be reported as under:

- a) Annual Report of the Company.

The CSR approach made available at the start of the project and the impact so quantified on completion of the project shall be documented for record purposes and future use as well as

for sharing of experience. The same shall be uploaded on Company website. CSR initiatives of the company will be reported in the Annual Report of the Company. Activities undertaken under CSR activities shall be also be reported in the manner as prescribed under the Act, as amended from time to time.

8. SCOPE AND LIMITATION

This policy is applicable to the Company for its CSR activities in India except as provided under the Act. The following activities shall not form part of the CSR activities of the Company:

1. The activities undertaken in pursuance of normal course of business of the Company.
2. CSR projects/ programmes or activities that benefit only the employees of the Company and their families.
3. Any contribution directly/ indirectly to a political party or any funds directed towards political parties or political causes.
4. Such other activities not permitted under the Act for the time being in force.

9. AMENDMENTS

In the event of any conflict between any of the provision of this Policy and the Act or rules framed thereunder or any other statutory enactments, the provisions of such Act or rules or statutory enactments shall prevail over this Policy.

In case of any amendment(s), clarification(s), circular(s), notification(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), notification(s) etc. shall prevail upon the relevant provisions of this Policy and the Policy shall stand amended accordingly from the effective date of such amendment(s), clarification(s), circular(s) etc.