

# **VLS Securities Limited**

## **Corporate Social Responsibility Policy**

### **Introduction**

This Corporate Social Responsibility (hereinafter referred to as 'CSR') Policy is framed in terms of the Companies Act, 2013 (hereinafter referred to as 'the Act') read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as 'the CSR Rules'), as amended from time to time.

VLS Securities Limited (VLSS) is committed to undertake CSR activities in accordance with the provisions of Section 135 of the Act and related Rules, as amended.

VLSS believes that development has to be all-encompassing and every community has to be responsible for the development of an impartial and benevolent society. VLSS commits itself to add to the society in ways possible for the organization.

### **Objective and Scope**

- Strategy is to develop a long-term vision for VLSS CSR goals.
- Outline of activities to be embarked upon, in line with the CSR policy and Schedule VII of the Companies Act, 2013, as amended.
- VLSS shall promote projects that are sustainable and create a long-term value for the society.
- Have specific and measurable goals in alliance with VLSS beliefs.
- To establish a mechanism for the implementation and monitoring of the CSR activities.
- Notwithstanding anything to the contrary contained in this CSR Policy but subject to applicable law, in the event that VLSS does not meet the thresholds set out under Section 135(1) of the Act for three consecutive financial years, it shall not be required to:
  - (i) Constitute/maintain the CSR Committee; and
  - (ii) Comply with the provisions of this CSR Policy

till such time as it again meets the criteria specified in Section 135(1) of the Act or other applicable regulations.

### **Committee Composition**

The CSR Committee of the Board shall be composed of three or more Directors, out of which at least one Director shall be an Independent Director.

However, where the amount to be spent by a company under its CSR obligations does not exceed fifty lakh rupees or such sum as may be prescribed, the requirement for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee shall, in such cases, be discharged by the Board of Directors.

### **Committee Meetings**

The CSR Committee shall meet as often as its members deem necessary to perform its duties responsibly.

### **Duties & Responsibilities of CSR Committee**

- i) Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII to the Act.
- ii) Formulate and recommend to the Board, an annual action plan in pursuance of its CSR Policy, which shall include the following, namely:-
  - (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
  - (b) the manner of execution of such projects or programmes;
  - (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
  - (d) monitoring and reporting mechanism for the projects or programmes; and
  - (e) details of need and impact assessment, if any, for the projects undertaken by the company:
- iii) Recommend the amount of expenditure to be incurred on the CSR activities.
- iv) Institute a transparent mechanism for implementation of the CSR projects and effective monitoring tools of such projects.
- v) Preparation of Annual Reports of the CSR activities undertaken and submission of the same to the Board.
- vi) In case of failure to ensure the minimum CSR Expenditure, detailed reasons for the same should be submitted by the Committee to the Board, who shall include the same in their report.
- vii) Any other task assigned by the Board from time to time.

### **Responsibilities of the Board**

- i) Approve the CSR Policy and expenditure on CSR initiatives after taking into consideration the recommendations made by the CSR committee.
- ii) Ensure the CSR spending in every financial year is in accordance with statutory provisions as applicable from time to time.

- iii) Ensure that the CSR activities included in the policy are undertaken by the Company and are in conformity to the activities as outlined in Schedule VII of the Act.
- iv) Ensure disclosure of the contents of the CSR Policy and CSR Committee in its report to the members and put the policy on the Company's website.
- v) Ensure that the unspent amount/ excess amount spent, if any, is dealt as per the provisions of the Act.
- vi) In case of ongoing project, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and yearwise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

### **CSR Expenditure**

- i) CSR expenditure shall mean all expenditure incurred in respect of specific projects/programs relating to activities as approved by the Board on the recommendation of its CSR committee including contribution to corpus relating to CSR activities and it shall not include expenditure on an item not in conformity with the CSR policy and Schedule VII of the Act.
- ii) The surplus arising out of the CSR activities or projects shall not form part of the business profit of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account as envisaged in extant regulations and spent in pursuance of CSR policy and annual action plan of the company or transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year as the case may be.
- iii) The administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year or as prescribed from time to time.

### **CSR Activities and Projects**

- i) The Company may undertake one or more CSR activities in line with Schedule VII of the Act.
- ii) The Company shall give preference to the local area(s) around which it operates while considering the CSR activities to be undertaken. However, it may be guided by the requirements of the specific CSR activity in other locations within India.

### **Implementing CSR Activities**

- i) The Company may undertake the CSR activities directly and also through various implementing agencies within the group or outside such as, non-profit organizations, etc. Such outside implementing agencies shall have an established track record as prescribed under the relevant law.

- ii) The initiatives so undertaken may be communicated to the employees through specific awareness campaigns, so as to enable maximum participation.
- iii) The Company may collaborate with other companies for undertaking CSR projects or programs provided separate reporting mechanisms are in place and are in accordance with Act and rules thereunder, as amended.

### **Assessment**

The CSR committee shall be apprised on the implementation of the CSR activities and the progress shall be monitored on regular basis.

The Company shall through its internal controls, monitoring and evaluation systems, implement, assess, document and report the impact of its CSR activities.

### **Interpretation**

Any term or aspect not specifically defined or set out in this policy shall be construed to mean what is laid down in respect thereof under the Act or the CSR Rules.

### **Amendments**

The Board may, subject to applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy, based on the recommendations of the CSR Committee.

The Board may also establish further rules and procedures, from time to time, to give effect to this Policy and to ensure due governance.

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