



VARINDERA CONSTRUCTIONS

VARINDERA CONSTRUCTION LIMITED



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CORPORATE SOCIAL RESPONSIBILITY POLICY

1. INTRODUCTION

Varindera Construction Limited (the “**Company**”), incorporated in 1987, is one of the leading company in Engineering, Procurement and Construction (“EPC”) having specialized experience of over three decades in EPC industry. Company provide its services primarily to the Central Government agencies and has a proven track record of sustained development, growth and innovation.

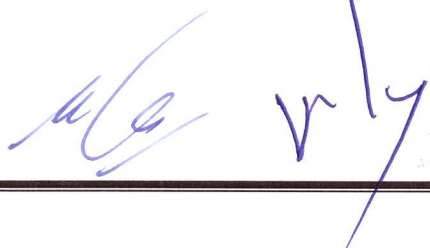

This Corporate Social Responsibility (“**CSR**”) Policy aims to define and establish the Company’s Policy framework towards its commitment to provide resources and support activities focussed on enhancing economic and social development. It is the effort made by company to improve the living

2. SCOPE OF THE POLICY

The Policy would pertain to all activities undertaken by Company towards fulfilling its corporate social responsibility objectives. The Policy would also ensure compliance with section 135 of the Companies Act, 2013 (“**Companies Act**”), read with Schedule VII of the Companies Act and Companies (Corporate Social Responsibility Policy) Rules, 2014 (“**CSR Rules**”), each as amended from time to time and the notifications and circulars issued by the Ministry of Corporate Affairs from time to time and the rules framed thereunder (“**CSR Regulations**”). In the event of any inconsistency or discrepancy between this Policy and the CSR Regulations, the provisions of the CSR Regulations shall prevail. The Policy has been framed to achieve following objectives:

- To lay down the guiding principles, standards, codes and mechanisms to carry out the CSR Project of the Company.
- The Company shall identify activities both in urban/rural areas that will improve quality of life and actively support the county’s development agenda to ensure sustainable growth of society
- To identify the area of interventions and CSR activites which the company will undertake as its core CSR initiatives
- To ensure that all the CSR Projects are reported as per the format prescribed under section 135 of the Companies Act and rule and regulation made thereunder.

3. CORE CSR AREA



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- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and making available safe drinking water.
- Promoting education, including special education and employment enhancing vocation skills and livelihood enhancement project
- Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports
- 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
- Contribution to the Prime Minister's National Relief Fund or Prime Minister's Central Assistance and Relief in Emergency Situations Fund (PM CARES Fund)

4. DEFINITIONS

Definitions of some of the key terms used in this policy are given below:

- 'Act' means The Companies Act, 2013 read with Rules made thereunder, as amended from time to time.
- 'Board' means Board of Directors of the Company.
- 'Company' means Varindera Construction Limited
- 'Corporate Social Responsibility' or 'CSR' means and includes but is not limited to—
 - (i) projects or programs relating to activities specified in Schedule VII of the Act; or
 - (ii) projects or programs relating to activities undertaken by the Board in pursuance to recommendations of the CSR Committee as per the CSR Policy of the Company, subject to the condition that the CSR Policy will cover subjects enumerated in Schedule VII of the Act.
- 'CSR Committee' means CSR Committee of the Board.
- 'CSR Activities' means projects/ programs/ activities to be undertaken by the Company in India, pursuant to Section 135 and Schedule VII of the Act.

The CSR activities shall not include activities undertaken by the Company in pursuance of the normal course of its business. Further, projects, programs or activities that solely benefit the employees of the Company and their families shall not be considered as CSR Activities under this CSR Policy.

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- 'CSR Policy' means this policy of the Company which relates to the activities to be undertaken by the Company pursuant to Section 135 and Schedule VII of the Act and matters incidental thereto including the expenditure thereon.
- 'Net Profit' means Net Profit as defined in the Act.

Words and expressions not defined in this Policy shall have the same meaning as defined in the Act or Rules made thereunder from time to time.

5. GOVERNANCE STRUCTURE OF CSR COMMITTEE

The CSR Committee is the governing body that will define the scope of CSR activities for Company and ensure compliance with the Policy. The CSR Committee shall comprise a minimum of three directors including at least one independent director.

- (a) The CSR Committee shall:
- (i) Formulate the Policy and recommend to the Board and any amendments thereto;
 - (ii) Indicate the activities to be undertaken by Company as specified in the Companies Act;
 - (iii) Review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company, and the annual CSR plan to the Board;
 - (iv) Monitor the CSR activities and compliance with the Policy from time to time; and
 - (v) Review and implement, if required, any other matter related to CSR initiatives.
- (b) The Committee shall meet at least twice in every financial year.
- (c) The Board shall:
- (i) Approve the Policy based on the recommendation of the CSR Committee;
 - (ii) Approve the CSR activities and annual CSR plan based on the recommendation of the CSR Committee; and
 - (iii) Review the Policy and CSR activities.

6. OPERATING FRAMEWORK





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- 6.1 CSR activities will be undertaken in areas identified by the CSR Committee. An annual CSR plan shall be presented to the CSR Committee and, based on its recommendations to the Board of Directors of the Company for approval..
- 6.2 The annual plan shall incorporate the following:
- (d) The prescribed outlay on CSR as per the Companies Act and related rules as amended from time to time;
 - (e) Key CSR activities proposed to be undertaken during the year, including analysis of their eligibility for classification as CSR under the Companies Act and related rules as amended from time to time, their conformity with the Policy and their implementation schedules;
 - (f) Proposed outlay on each activity including expenditure on administrative overheads both directly and indirectly including employee costs;
 - (g) Activities to be undertaken by Company directly;
 - (h) Activities to be undertaken by other entities and Company's contribution to such entities; and
 - (i) Aggregate proposed outlay and reasons for shortfall, if any, compared to the prescribed outlay.
- 6.3 Funds would be disbursed either in tranches or as one-time payment. The terms, conditions and timing of disbursement would be conditional upon the nature and requirement of the CSR project or programme.
- 6.4 The CSR Committee shall at all time act in a manner that is consistent with the provisions contained in this Policy and the CSR Regulations.
- 6.5 The CSR Committee shall endeavour to arrive at all decisions via consensus of all members. However, on occurrence of any event where the CSR Committee is unable to arrive at a consensus, the decision of the Chairman of the CSR Committee shall be final.

7. CSR EXPENDITURE AND IMPLEMENTATION

- 7.1 The Company shall, in every financial year, spend such amounts on its CSR activities as the CSR Committee may authorize from time to time subject to the limits as approved by the Board, provided that the quantum of CSR expenditure is compliant with the Act, rule and regulation made thereunder.
- 7.2 The Company shall undertake CSR spending in accordance with the Act, rules and regulations, as amended from time to time.
- 7.3 The CSR Activities identified by the CSR Committee and approved by the Board shall be implemented itself or through-

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- (a) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company;
- (b) 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;
- (c) any entity established under an Act of Parliament or a State legislature; or
- (d) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities,
- (e) such company/trust/society or any other entity as may be allowed under the Act and Rules made thereunder;

- 7.4 The Company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its Policy as well as for capacity building of their own personnel for CSR.
- 7.5 The Company may also collaborate with other companies for undertaking projects or programmes 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 programmes in accordance with these rules.
- 7.6 The Board shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the chief financial officer of the Company or the person responsible for financial management shall certify to the effect.
- 7.7 In case of ongoing project, the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.
- 7.8 The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its 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 Companies Act;
 - (b) the manner of execution of such projects or programmes as specified in the CSR Rules;
 - (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;





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- (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,

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

8. CSR ACTIVITIES

The Company may also undertake its CSR Activities in the following areas:

(I) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation;

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 agehomes, 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 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 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 schedule caste, tribes, other backward classes, minorities and women;

IX. Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and





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contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);

X. Rural development projects including community/social/infrastructure creation intended for the general well-being of society at large;

XI. Slum area development including social infrastructure projects in urban areas aimed at improving the well-being and safety of the general public in such urban areas; and

XII. Disaster management, including relief, rehabilitation and reconstruction activities.

The CSR Committee will be entitled to include other projects/ programs/activities or any social development initiatives as may be approved by the CSR Committee/Board which is in consonance with the Act read with Schedule VII.

The Company shall give preference to the local area and areas around it where it operates, for undertaking/implementing/executing/collaborating for CSR Activities.

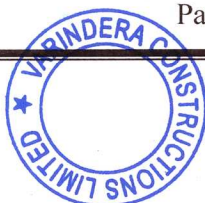
9. MONITORING

The CSR Committee shall ensure a transparent monitoring mechanism for CSR activities.

- (i) The progress of the CSR activities shall be reviewed at least twice a year, including the annual review by the CSR Committee.
- (ii) The committee shall be responsible for monitoring expense on CSR activities with respect to the plan and submission to the Board.
- (iii) The Board of Directors shall review the progress of CSR activities at least annually.

10. REPORTING

The company will make a full report of its CSR projects / programmes undertaken during the previous year in the format prescribed for the "Annual Report on CSR Activities to be included in the Board's Report" in the Companies (CSR Policy) Amendment Rules, 2021 which is in consonance with section 134(3)(o) of the Act as amended from time to time. If the Company fails to spend the CSR Budget the Board shall specify the reasons for not spending the CSR Budget in the "Annual Report on CSR Activities to be included in the Board's Report". Provided, where such unspent CSR Budget to any ongoing project as





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specified under Section 135(6) of the Act, the Board shall transfer such unspent amount to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year. In case the Company spends in any financial year, an amount in excess of required amount as prescribed under the Act or Rules made there under, such excess amount may be set off against the requirement of spending in the immediately succeeding three financial years as per the applicable provisions of the Act read with the Rules made thereunder as amended from time to

The above information shall also be displayed on the Company's website.

11. DISCLOSURES

The CSR Committee shall prepare an annual report on CSR, in the format prescribed under the Act and such report shall be included in the Board's report annexed to the financial statements. The report shall be signed by the members of the CSR Committee and such other person as may be prescribed. The Company shall host the contents of the CSR Policy on its website in such manner as may be prescribed.

12. EFFECTIVE DATE

The Policy shall be effective from the date of approval of the Board of Directors of the Company.

13. AMENDMENTS

The Policy may be reviewed and amended from time to time by the Board based on the recommendation of the CSR Committee.

