

V2 RETAIL LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

(As approved by the Board of Directors on 1st October, 2014)
(Effective from 1st December, 2014)

PREAMBLE

The concept of Corporate Social Responsibility (CSR) has gained prominence from all avenues. Industry & Business Organizations have realized that Government (National or State) alone will not be able to get success in its endeavor to uplift the downtrodden of Society and it would need them to continuously provide support to the Government in all possible manner.

V2 Retail Limited (VRL), being a responsible Corporate Citizen, recognizes that it has a moral responsibility, to contribute its share towards upliftment of the downtrodden by engaging itself with community developmental activities and has adopted CSR as a strategic tool for sustainable growth.

For VRL in the present context, CSR means not only investment of funds for Social Activity but also integration of Business processes with Social processes.

OBJECTIVE

This Policy shall be read in line with Section 135 of the Companies Act 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other rules, regulations, circulars, and notifications (collectively referred hereinafter as 'Regulations') as may be applicable and as amended/notified from time to time and will, inter-alia, provide for the following:

- a) Establishing a guideline for compliance with the provisions of the Regulations to dedicate a percentage of Company's profits for CSR activities.
- b) Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting.
- c) Creating opportunities for employees to participate in socially responsible initiatives.
- d) The main objective of CSR policy is to lay down guidelines for VRL to make CSR a key business process for sustainable development of the Society.
- e) VRL's aims to engage deeply with the rural India and farming community to ensure they are on the path of sustained progress and development.
- f) To work closely with the rural India population for understanding their social upliftment barriers

- g) It aims at supplementing the role of the Govt. in enhancing welfare measures of the Community/Society based on the immediate and long term social goals.

OPERATIONAL AREAS OF CSR ACTIVITIES

VRL have its corporate/registered office and warehouse/Distribution center (“Company Operation Areas”) located in multiple locations of the country. The primary & immediate beneficiaries of CSR policy of the Company should be the poor, needy and other section of the community/society especially from the areas surrounding & near to the Company Operation Areas.

In the aforesaid backdrop, policy on CSR of VRL is broadly framed taking into account of the following measures: -

i. Protecting Stakeholder Interests

Proactively engage with relevant stakeholders, understand their concerns and be responsive to their needs.

Use & promote systematic processes to engage with the stakeholders and address their issues in a just, fair and equitable manner

ii. Proactive Engagement with the Local Communities

Respecting cultural ethnicity and dignity of individuals and foster positive relationship with the people in the project areas where the Company operates.

Providing development opportunities to local communities in a culturally appropriate manner, in consultation & cooperation with local government authorities and other stakeholders, as may be appropriate.

iii. Inclusive Development

Developing local entrepreneurship and encouraging use of local goods, services and manpower to promote inclusive economic growth of local area

Channelizing resources & efforts towards making positive and sustainable contribution in social and economic development

Aligning CSR practices & programs to complement and support the developmental priorities at local, state and national levels.

Inclusive approach towards stakeholders and promote diversity through affirmative action.

iv. CSR Activities

The CSR activities will be focused on the five broad themes with goals to improve overall socioeconomic indicators of Company's area of operation:

- To ensure environmental sustainability by adopting best ecological practices and encouraging conservation/judicious use of water and other natural re-sources.
- Promoting healthcare, sanitation and making safe drinking water available
- Employment enhancement through training and vocational skill development
- Promoting education and sports
- Ensuring sustainable environment
- To use environmental friendly and safe process in production.

The CSR projects and programs to be undertaken by the Company shall include activities falling within the preview of schedule VII of Companies Act, 2013. These programs will be executed by VRL and where appropriate in partnership with various NGO, service providers and others.

The surplus, if any, arising out of CSR initiatives of the Company shall not form part of its business profits.

v. Monitoring Mechanism

Monitoring of the CSR activities would be done, which may include:

- periodic third party assessment of key programs
- baseline and impact assessment with key indicators in our areas of operation every two years and
- regular review by the CSR Committee and reporting to the Board on:
- amount spent on each activity and
- Achievement against milestones and objectives

vi. Responsibility

The responsibility for compliance with this policy lies with the CSR Committee, the Directors, Chief Executive Officer, Senior Managers and all employees and consultants working for VRL

vii. Review of Policy

The CSR Policy will be reviewed on or before 31st March, 2016 or as may be recommended by the CSR Committee of the Company.

The above CSR Activity is illustrative and not exhaustive.

The CSR Committee shall be authorized to consider CSR activities not falling in this list, but however falling under the Schedule VII of the Companies Act 2013 as amended time to time. The activities will be specific to the village depending on the need assessed for the people. All activities done under the CSR should be environment friendly and socially acceptable to the local people and Community/Society.

MONITORING

- a) CSR committee shall approach the Board of Directors of the Company with its recommendation of the project/s it wishes to commence and the complete details/project report and the expenditure to be incurred on such project/s in each financial year.
- b) The CSR Committee shall at such intervals as may be advised by the Board to inform the activities and review of the implementation of CSR.
- c) V2 RETAIL as well as subsidiaries/associates shall include a separate/chapter in the Annual Report of the Company on the implementation of CSR activities/project including the facts relating to physical and financial progress.
- d) Cost benefit and justification includes the amount of financial involvement, detailed project Report for which Project Appraisal have to be carried out by an independent & External Agencies/Third party Agency duly approved by the CSR Committee.
- a) Utilization Certificate with statement of expenditure duly certified by an Authorized Audit or will be submitted by the Specialized Agencies to whom CSR fund is allocated.

SOURCE OF FUND

CSR committee shall time to time spend the funds allocated against CSR being the maximum 2% of the average net profits of the Company made during the three immediate preceding financial years or such other limits prescribed under the law time to time.

Out of total CSR Budget, the Committee would allocate separate budget for each and every project taken up in a financial year. The CSR project should be fixed for each financial year; however, the incomplete project can be extended or carried on in the next financial year. This funding will not lapse even if the project crosses over to the next financial year.

BASE LINE SURVEY & DOCUMENTATION

- (a) The CSR activities where Community Development Programme is involved, baseline survey may be carried out and cost benefit has to be seen in the proposed scheme through the above survey.
- (b) However, cost benefit and justification for any project has to be ascertained.
- (c) Meticulous documentation relating to CSR approaches policies, programs, expenditures, procurement etc. should be prepared and put in the public domain and made available in the Company's website and also at such website as may be required under the law.

UPKEEP AND MAINTENANCE OF ASSETS CREATED

Maintenance of assets created under CSR and if handed over to the concerned State Government would be the responsibility of the concerned State Government and local representative of the Society, unless otherwise agreed upon with the Company. Before any capital investment is made for the benefit a particular underprivileged community, an undertaking would be taken from the representatives of that community that they would be responsible for maintenance of the asset.

REFLECTION OF CSR ACTIVITIES

Annual audit of all activities undertaken by the Company would be done by authorized auditor. The CSR activities will be reflected in the Director's Report of the Annual Report of VRL and shall be in line with the requirement of the Companies Act 2013.

The CSR Committee constituted will inspect all sites and reflect the same to the Board of Directors, time to time, for their information and record.

CONCLUSION

The above guidelines would form the broad framework around which the CSR activities of V2 RETAIL LIMITED would be undertaken.

Board of Directors or the CSR Committee will review the Policy from time to time based on changing needs and aspirations of the target beneficiaries and make suitable modifications, as may deem necessary.
