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## V-Mart Retail Limited

### Corporate Social Responsibility Policy Document

Version: 4.0

July 2019

(Last Amended on 29<sup>th</sup> October, 2024)

For Internal Circulation only

Document revision history		
Version	Release date	Change description
1.0	-	Documented standard policy of "Corporate social responsibilities"
2.0	30-Jul-19	Revision in existing policy <ul style="list-style-type: none"> <li>Updating the members of CSR committee</li> <li>Adding new section for 'monitoring and evaluating' CSR projects</li> </ul>
3.0	28-May-21	Review & Update Policy as Companies Amendment Act 2020 & Rules Notified on 22 <sup>nd</sup> January, 2021
4.0	29-Oct-24	Review and update policy as per the change in composition of the Committee

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## 1. Introduction

Led by the philosophy of making a meaningful contribution to the society and the environment through long-term and sustained initiatives, V-Mart Retail Limited (“V-Mart” or “Company”) has, over the years, engaged in several CSR activities with the mission to ‘create value and make the ecosystem proud. Our CSR programs are anchored on the continuing commitment to improving the quality of life and opportunities for local communities – at our store clusters and sourcing hubs- focusing on the underprivileged sections of society, without regard to their faith, origin or gender.

Apart from continuously fulfilling all its regulatory requirements related to the society at large, the Company believes in a focused and impactful Corporate Social Responsibility (CSR) program is aligned with its vision and mission. Through its CSR programs, the Company intends to focus on local communities residing in and around its store clusters and the extensive vendor and supplier communities spread across the key sourcing hubs in the country.

The V-Mart Corporate Social Responsibility policy (hereinafter may be referred to as V-Mart CSR Policy) takes account of its economic, social and environmental impact in the way it operates as a business by demonstrating our commitment to Corporate Social Responsibility. The Company aims to align its business values, purpose and strategy with the needs of our customers, and other stakeholders of the Company, e.g. suppliers and vendors whilst embedding such responsible and ethical principles into everything V-Mart does.

In the aforesaid backdrop, the V-Mart CSR policy is broadly framed considering the following measures:-

- I. Welfare measures for the community at large including employees and their families, to ensure the weaker section of the society derive the maximum benefits.
- II. Contribution to society at large through social development, imparting education, training, social awareness, especially with regard to economically backward class for their development.

## 2. Objective of CSR Policy

The main objectives of the CSR policy are:

- To lay down guidelines for “V-Mart Retail Limited” to make CSR a business process for sustainable development of the society and local communities.
- To develop and implement social welfare and community focused CSR program that are aligned with the Company’s vision and mission.
- To streamline CSR projects/programs which will enhance the quality of life and economic wellbeing of target beneficiaries.

## 3. Legal aspects for managing CSR

Pursuant to Section 135 of the Companies Act, 2013 each Company which falls under any of the following criteria shall adopt a Corporate Social Responsibility (CSR) program, and shall endeavour to spend minimum 2% of its average net profits during 3 immediately preceding financial years on CSR activities as prescribed in Schedule VII of the Companies Act, 2013:

- Net worth of Rs. 500 crores or more or
- Turnover of Rs. 1000 crores or more or
- Net Profit of Rs. 5 crores or more

However the Companies which do not fall under any of the threshold mentioned above may also pursue CSR programmes and initiatives depending on business needs which may or may not be aligned to the activities mentioned in next heading below.

### Definitions & Terminology

**“Annual Operating Plan”** means a detailed implementation plan for carrying out CSR activities and shall include;

- 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;

**"Net profit"** means the net profit of a Company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely: -

- (i) Any profit arising from any overseas branch or branches of the Company, whether operated as a separate Company or otherwise; and
- (ii) Any dividend received from other Companies in India, which are covered under and complying with the provisions of Section 135 of the Act:

Provided that in case of a Foreign Company covered under these rules, net profit means the net profit of such Company as per profit and loss account prepared in terms of clause (a) of sub-Section (1) of Section 381, read with Section 198 of the Act;

**“Corporate Social Responsibility (CSR)”** means the activities undertaken by a Company in pursuance of its statutory obligation laid down in Section 135 of the Act in accordance with the provisions contained in these rules, *but shall not include the following*, namely:-

- i. Activities undertaken in pursuance of normal course of business of the Company
- ii. Any activity undertaken by the Company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- iii. Contribution of any amount directly or indirectly to any political party under Section 182 of the Act;
- iv. Activities benefitting employees of the Company as defined in clause (k) of Section 2 of the Code on Wages, 2019 (29 of 2019);
- v. Activities supported by the Companies on sponsorship basis for deriving marketing benefits for its products or services;
- vi. Activities carried out for fulfilment of any other statutory obligations under any law in force in India;

**"CSR Committee"** means the Corporate Social Responsibility Committee formed by the Board referred to in Section 135 of the Act;

**"CSR Policy"** means this policy or a statement containing the approach and direction given by the board of a Company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;

**“International Organisation”** means an organisation notified by the Central Government as an international organisation under Section 3 of the United Nations (Privileges and Immunities) Act, 1947

(46 of 1947), to which the provisions of the Schedule to the said Act apply;

**“Ongoing Project”** means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification;

**“Administrative overheads”** means the expenses incurred by the Company for ‘general management and administration’ of Corporate Social Responsibility functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;

**“Public Authority”** means ‘Public Authority’ as defined in clause (h) of Section 2 of the Right to Information Act, 2005 (22 of 2005);

#### 4. Areas for CSR activities

V-Mart CSR activities shall be aimed at the poor, needy and underprivileged sections of the society as the end beneficiaries, belonging to local communities where V-Mart store clusters and sourcing hubs are located, especially in small towns/villages/rural area would normally be covered.

The Company shall give preference to the local area and areas where it operates, for spending the amount earmarked for CSR activities.

The CSR activities of V-Mart will cover the following activities:

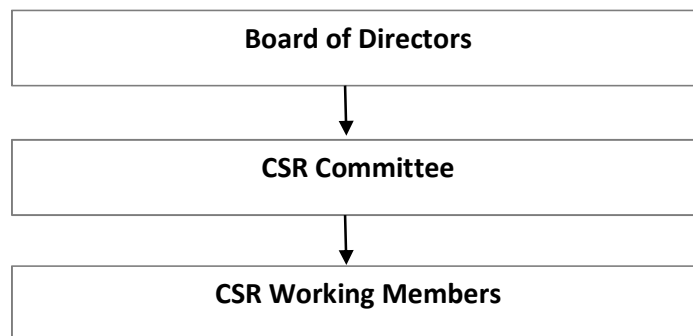
- I. **Education-** Supporting education across primary, secondary and tertiary (graduate and post-graduate) levels for meritorious students belonging to the Economically Weaker Sections (EWS), in tier 2, 3, 4 towns and nearby rural areas. This can also extend to career counselling and career development support, fellowships, provision for meals, awareness program on girls education, providing school bus/ cycle facilities to needy girl student of the school in the operational area of the Company or Company outlet, support to technical/vocational institutional, and support for education for their self-development;
- II. **Entrepreneurship and skill development** -Identifying and supporting self-sustaining livelihood and entrepreneurship initiatives, focusing on generating gainful employment for local communities; providing vocational skills training, focusing on youth and women;
- III. **Community infrastructure development-** Adoption and/or maintenance of community infrastructure, e.g. schools, parks, hospitals, dug wells, etc.; development, education development, community development, providing employment opportunity for the villagers, providing Water supply including providing drinking water in a rural area, installation/repair of hand pumps, rainwater harvesting scheme & involving in the activities specified under Schedule VII of Company’s act 2013;
- IV. **Medical-** Health care by providing Indoor medical facilities & medicines, organizing health awareness camps;
- V. **Environment-** Activities relating to environment protection, including plantation, green belt development; sustainable agriculture practices; water conservation and groundwater management;
- VI. **Social empowerment-** Activities relating to social empowerment including training of rural youth for self-employment on welding, fabrication and electronic appliances, construction of hostels for girls, care for senior citizens, organizing training programs for a woman on tailoring, fabrication designs, home foods, painting, and other vocational courses;

- VII. Sports-** Training to promote rural sports, nationally recognized sports, sports & Olympic sports; providing sport talent scholarships to underprivileged to promote sports;
- VIII. Disaster relief-** Providing disaster reliefs as stated in schedule VII of Company's act 2013.
- IX. Grant/Funding-** Grant/donation/financial assistance to hospitals, reputed NGOs, any other trust or foundation constituted in this regard, charitable institutions/sponsorships to reputed NGOs of the society/locality doing/involve in the upliftment of the standard of the society and any of the above stated activities and any other activities as specified under Schedule VII of Company's Act 2013

**Note: -**

- *The above list is illustrative, not exhaustive and the CSR Committee shall be authorized to consider the activities not falling in this list.*
- *Below are some identified provision permissible under CSR provisions.*
  - Company can execute through own/group foundation or foundation formed with other companies or through implementing agencies.
  - If the entity is not set up by the company, then it must be an established entity (at least 3 years old).
  - A company may also collaborate with other companies for undertaking projects or programs 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 programs in accordance with these rules.
  - Companies may build CSR capacities of their own personnel as well as those of their implementing agencies through institutions with established track records of at least three financial years, but such expenditure shall not exceed 5% of total CSR expenditure of the company in one financial year.

## 5. Governance Structure



### 5.1 Corporate Social Responsibility Committee (CSR)

The Corporate Social Responsibility Committee is to be consisted of at least three Board Members and at least one member of the Committee will be an Independent Director. The Company has constituted the CSR Committee with the following members:

- Mr. Raghuvesh Sarup – Chairperson
- Mr. Lalit Agarwal - Member
- Mr. Madan Gopal Agarwal - Member
- Mr. Aakash Moondhra - Member

### 5.2 CSR Working Members

The primary purpose of the Working Members is to assist the 'CSR Committee' in fulfilling its oversight responsibilities in relation to:

- The Company’s CSR policies and programs
- The evaluation and recommendation of various CSR activities to be performed by company.

**6. Roles and responsibilities**

Roles and responsibilities of the CSR Committee and CSR Working Members:

CSR Committee	CSR Working Members
<p>CSR Committee shall:</p> <ul style="list-style-type: none"> <li>• Formulate/review CSR Policy, which shall indicate the activities to be undertaken by the Company.</li> <li>• Work with the Board/Management/CSR Working Members to establish and develop the Company’s strategic framework and objectives with respect to corporate social responsibility matters.</li> <li>• Ensure the activities included by a company in its CSR policy are related to the activities of Schedule VII of companies act 2013.</li> <li>• Decide the priority of the activities to be undertaken under CSR as per the proposal.</li> <li>• Carry out assessment of any CSR activities either on its own or through CSR Working Members or any external agency.</li> <li>• Delegate powers to CSR Working Members to do necessary compliance under the CSR provisions.</li> <li>• Recommend Annual Operating Plan to the Board of Directors for their approval</li> <li>• Develop internal operating structure and transparent monitoring mechanism.</li> <li>• Periodically monitor the implementation of CSR Policy of the Company.</li> <li>• Receive reports from management/CSR Working Members on current and emerging issues and trends in the field of corporate social responsibility, including a discussion on the potential impact thereon on the Company.</li> <li>• Meet at least twice in a year and as many additional times as the Committee may consider necessary to carry out its duties effectively.</li> <li>• Invite such officers, directors, and employees of the Company as it may see fit from time to time to attend its meetings and assist in the discussion and consideration of any matter.</li> <li>• Review the reports of CSR Working Members of new projects or finding or any investigation.</li> </ul> <p>Take any other steps required under statutory obligations.</p>	<p>CSR Working Groups shall:</p> <ul style="list-style-type: none"> <li>• Work with CSR committee to establish and develop the Company’s strategic framework and objectives with respect to corporate social responsibility matters.</li> <li>• Identify and seek capabilities and resources required to implement the CSR initiative.</li> <li>• Drive the adoption of CSR ethos and corporate citizenship across V-Mart stores, ensuring active participation and support of the Company’s employees in its CSR initiatives.</li> <li>• Review the findings and recommendations from any investigation or audit by regulatory agencies or external auditors or consultants concerning the Company’s corporate social responsibility matters.</li> <li>• Review the Company’s disclosure of corporate social responsibility matters in the Company’s continuous disclosure documents and an annual social responsibility report.</li> <li>• Recommend CSR projects in areas or subject specified in Schedule VII of Companies Act 2013.</li> <li>• Evaluate and shortlist the CSR activities to be undertaken by the Company based on established criteria and recommend the same for the review by CFO &amp; MD and approval by the CSR committee.</li> <li>• Monitor the progress of milestone to be achieved under the ongoing CSR projects on monthly basis &amp; submit the report to the CSR Committee on a quarterly basis.</li> <li>• Utilization of approved amount in specified/approved CSR activities.</li> </ul> <p>Certify to Chief Financial Officer or any other authorized personnel about the utilization of CSR Funds w.r.t Annual Operating Plan.</p>

## 7. Identification & Approval of CSR Projects and Annual Operating Plan

### Identification of Projects

A project must have following features to be pursued by the Company under CSR Activity:

- i) A Project should be need-based project.
- ii) A Project should be based on considering local issues and addressing those local issues.
- iii) A Project will be designed with clear objectives, planned outcomes and a suitable monitoring and reporting framework.
- iv) A Project must have sustainable impact on the Society.

A project fulfilling the above points shall be considered by the Company for CSR.

### Formulation of Annual Operating Plan & Other Projects

- CSR Working Members shall formulate an Annual Operating Plan for the various CSR projects fulfills above parameters and have a long term perspective.
- CSR Working Members may also recommend any Standalone CSR Project having a high impact over in a Short duration, if necessary.
- CSR Working Members propose the CSR Annual Plan or standalone project to CFO and MD for their review and approval and to recommend the same to CSR Committee for approval.
- CSR committee review the proposed CSR Annual Plan & Standalone Project, as the case may be and approve the same with or without modifications.
- On the recommendation of CSR Committee, the Board of the Company may approve the CSR Annual Plan or the standalone project with or without modification and shall have the power to alter the approved Annual Plan, if necessary.

## 8. Executing, Implementing, Monitoring and Reporting of CSR Activities

The Investment on CSR activities shall be on a project basis, the Company can execute its CSR activities either through external specialized agency/ recognized NGOs/ V-Mart Foundation (herein after referred to as implementing agency), subject to fulfillment of Statutory Requirements in this regard or through its internal employees and in the manner as may be prescribed by the CSR Committee.

### The Board of Directors shall

- After taking into account the recommendation of CSR Committee and CSR Working Members, approve the CSR Policy for the company and disclose contents of such policy in its report and the same shall be displayed on the company's website.
- Ensure that activities included by the company in its CSR Policy are related to the activities included in Schedule VII of the Act.
- Approves Annual Operating Plan with or without modification;
- Approve CSR Policy & Report (refer Annexure 11.2 for reporting format).
- Ensure spend on CSR activities, as per applicable regulations
- Report reason for non-compliance.
- 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 or the person responsible for financial management has certified to the effect.
- Ensure any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent

CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

The CSR Committee shall:

- Prepare the annual operating plan in coordination with CSR Working Members with regard to various CSR activities to be undertaken by the company during the entire financial year.
- Review the 'shortlisted projects' proposed by CSR Working Members as & when required and approve the same.
- Review the monitoring reports submitted by CSR Working Members on a quarterly basis.
- Review the implementation of Annual Operating Plan on quarterly basis.

The CSR Working Members shall:

- Identify and shortlist the new CSR projects based on evaluation and then prepare an annual operating plan and recommend the same to MD & CFO for their review, who will further recommend the same to CSR committee for approval.
- Periodically interact with CSR implementing agency or with the employees/V-Mart Foundation undertaking the CSR activities.
- Monitor and review the progress of activities undertaken/completed on monthly basis.
- Submit the 'monitoring report' to the CSR Committee on a quarterly basis.

The CSR Committee shall also from time to time, as and when required, review the implementation of CSR policy of the Company and recommend the suitable actions to be taken in this regard.

## 9. Reflection of CSR activities

The CSR activities undertaken by the Company during the year will be reported in the Annual Report of the Company for the respective year.

## 10. Set off

The Company shall be allowed to claim set off or Carry Forward of any excess amount spend in a financial year under CSR from following year's contribution subject to the following conditions:

- (i) the excess amount available for set off shall not include the surplus, income or collection arising out of the CSR activities, and,
- (ii) the Board of the company shall pass a resolution to that effect

## 11. Construction from CSR

The Board of the Company on the recommendation of CSR Committee may spend CSR amount, for creation or acquisition of a capital asset, which shall be held by -

- (a) an implementing agency(ies);
- (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- (c) a public authority:

## 12. Review of the policy

The Corporate Social Responsibility Committee may from time to time, as may be required, review the CSR Policy of the Company and may make the suitable amendments, as may be necessary, in the CSR policy of the Company based on the changing requirements of the beneficiaries, requirements under the relevant laws.

### 13. Annexure

#### 11.1. Net profit according to section 198 for the purpose of section 135.

Net profit after tax	XX
<b>Add:</b> Credits to be given for	
<ul style="list-style-type: none"> <li>Govt. bounties and subsidies</li> </ul>	XX
<b>Less:</b> Credits not be given for	XX
<ul style="list-style-type: none"> <li>Premium on shares or debenture issued by the company</li> <li>Profits of a capital nature including profits from the sale of undertakings</li> <li>Profits on revaluation of assets and liability at fair value, etc.</li> </ul>	
<b>Less:</b> Deductions to be given for	XX
<ul style="list-style-type: none"> <li>All usual working charges, director remuneration, bonus</li> <li>Any tax notified being in nature of tax on abnormal profits</li> <li>Any tax on business profits enforced for special reasons</li> <li>Interest on loans, expenses of repairs and depreciation</li> <li>Excess of expenditure over income arisen in any year allowed subject to conditions</li> </ul>	
<b>Add:</b> Deductions not be given for	XX
<ul style="list-style-type: none"> <li>Income-tax under the income-tax Act, 1961</li> <li>Voluntary compensation and damages</li> <li>Loss of capital nature including loss from the sale of undertakings</li> <li>Loss of revaluation of assets and liability at fair value, etc.</li> </ul>	
Net profit to be considered for computing CSR spend	XX

**11.2. Format for the Annual Report on CSR activities to be included in the Board's Report:**

1. Brief outline on CSR Policy of the Company.
2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year.

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set off from preceding financial years (IN Rs.)	Amount required to be set-off for the financial year, if any (in Rs)

6. Average net profit of the company as per section 135(5).
7. (a) Two percent of average net profit of the company as per section 135(5)
  - (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.
  - (c) Amount required to be set off for the financial year, if any
  - (d) Total CSR obligation for the financial year (7a+7b-7c).
8. (a) CSR amount spent or unspent for the financial year

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.

(b) Details of CSR amount spent against ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No).	Location of the project.	Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No).	Location of the project.	Project duration.	Amount spent for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency

(d) Amount spent in Administrative Overheads

(e) Amount spent on Impact Assessment, if applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e)

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
i)	Two percent of average net profit of the company as per section 135(5)	
ii)	Total amount spent for the Financial Year	
iii)	Excess amount spent for the financial year [(ii)-(i)]	
iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6) (in Rs.).	Amount spent in the reporting financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding Financial Years (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of Transfer	

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting financial Year (in Rs.).	Cumulative amount spent at the end of reporting financial year (in Rs.)	Status of the Project – Completed/Ongoing

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year.

- (a) Date of creation or acquisition of the capital asset(s).
- (b) Amount of CSR spent for creation or acquisition of capital asset.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

<b>Sd/-</b> (Chief Executive Officer or Managing Director or Director).	<b>Sd/-</b> (Chairman CSR Committee)	<b>Sd/-</b> (Person specified under clause (d) of sub-section (1) of section 380 of the Act) (wherever applicable)
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