



VECTUS INDUSTRIES LIMITED

Policy on Corporate Social Responsibility



1. Introduction

Vectus Industries Limited (VIL/Vectus) is the India's fastest growing pipe and storage solution Company. The group has been involved in manufacturing of PPR Piping Systems, CPVC Piping Systems, PVC Pressure Piping, Multi-Layer Composite Piping System, SWR Piping Systems, Blow Moulded Tanks, Rotational Moulded Tanks and various kinds of plastic moulded articles for agricultural and household purposes. VIL has manufacturing facilities at 8 locations in India and offices / depots at 14 locations in India.

For the Vectus Group, fulfilling CSR means *“Businesses can be successful when the society around them prosper.”*

In alignment with its vision, Vectus aims to enhance value creation in the society through its services, conduct and initiatives so as to promote sustained growth for the society and the community while fulfilling its role as a socially responsible organization with environmental concern.

We seek to contribute to the sustainable development of society by responding to the trust that society places in us, and creating new value that exceeds expectations.

These initiatives are independent of the normal conduct of Vectus business, programmes, projects and activities

2. Preamble

The concept of Corporate Social Responsibility has gained prominence from all avenues. Organizations have realized that Govt. alone will not be able to get success in its endeavor to uplift the downtrodden of Society. With the rapidly changing corporate environment, more functional autonomy, operational freedom etc. VIL has adopted CSR as a strategic tool for sustainable growth. For VIL in the present context, CSR means not only investment of funds for Social Activity but also Integration of Business processes with Social processes.

In alignment with vision of the Company, VIL through its CSR initiatives wishes to be a company which is respected by people for its commitment towards social causes and will continue to enhance value creation in the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote sustained growth for the society and community, in fulfillment of its role as a *Socially Responsible Corporate*, with environmental concern.



Even much before the issue of CSR became global concern VIL was aware of its Corporate Social Responsibility and was fulfilling the aspiration of the Society by undertaking projects and activities which were beneficial for the benefit of the Society.

3. Our CSR Objective

The main objective of VIL's CSR Policy is

- to lay down guidelines to make CSR a key business process for sustainable development of the society.
- to directly/indirectly undertake projects/programs which will enhance the quality of life and economic well-being of the communities in and around our plant and society at large.
- To generate goodwill and recognition among all stake holders of the company.
- To undertake such other activities as may be permissible under Schedule VII of the Companies Act 2013 and the relevant rules.

4. Our Responsibilities

A) Towards our communities

We will involve communities surrounding our operations to bring about a positive change in their lives through holistic, sustainable and integrated development.

B) As a Corporate Citizen

We reaffirm our commitment to conduct our business with environmental accountability. We will endeavour to adopt environment-friendly technologies and energy efficiency in our operations while continuously monitoring and reducing emissions

5. CSR Thrust Area

The scope of the CSR activities of the Company will cover the following areas but not limited to the same and may extend to other specific projects/ programs as permitted under the law from time to time.

- Promoting sanitation and making available safe drinking water
- Water Conservation, Storage and Water Management and related activities;



- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintain quality of soil, air and water.
- Measure for maintaining 'Go-shalas' for Cows
- Contribution to 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 Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.
- Preference to the Local areas around where the Company operates, for spending the amounts earmarked for CSR Activities.
- As decided by CSR committee time to time as described in new Company Act 2013.

6. **Exclusion From CSR**

The following activity shall not form part of the CSR activities of the Company:-

- a. The activities undertaken in pursuance of normal course of business of a company.
- b. CSR projects/programs or activities that benefit only the employees of the Company and their families.
- c. Any contribution directly/indirectly to political party or any funds directed towards political parties or political causes.
- d. Any CSR projects/programs or activities undertaken outside India

7. **CSR Committee**

CSR Committee shall be formed as per the applicable laws and the committee shall be responsible for the implementation/monitoring and review of this policy and various projects/activities undertaken under the policy

The terms of reference of the Corporate Social Responsibility Committee of our Company include the following:

- (a) Formulating and recommending to the Board the corporate social responsibility policy of the Company, including any amendments thereto in accordance with Schedule VII of the Companies Act, 2013 and the rules made thereunder;



- (b) Ensuring that the corporate social responsibility policy shall include/ indicate the activities to be undertaken by the companies as specified in Schedule VII of the Companies Act, 2013 and the rules made there under, from time to time excluding the activities undertaken in pursuance of its normal course of business;
- (c) Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;
- (d) Recommending the amount of corporate social responsibility policy expenditure for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
- (e) Identifying and appointing the corporate social responsibility team of the Company including corporate social responsibility manager, wherever required;
- (f) Delegating responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- (g) Assistance to our Board to ensure that our Company spends towards the corporate social responsibility activities in every Fiscal, such percentage of average net profit/ amount as may be prescribed in the Companies Act, 2013 and/ or rules made thereunder;
- (h) Reviewing and monitoring the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
- (i) Providing explanation to the Board if our Company fails to spend the prescribed amount within the financial year;
- (j) Providing updates to our Board at regular intervals of six months on the corporate social responsibility activities;
- (k) Regulation of its own proceedings subject to the terms of reference;
- (l) Reviewing and recommending the corporate social responsibility plan for the ensuing Fiscal to our Board;
- (m) Approval of any project that may come during the year and which is not covered in the corporate social responsibility plan up to such amount as may be prescribed by our Board from time to time; and
- (n) Performing such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company.”



Members of CSR Management Committee will be-

Name of the Member:

Atul Ladha, Managing Director
Ashish Baheti, Managing Director
Narayan Anand, Nominee Director
S.K. Maheshwari, Independent Director

The CSR committee would time to time further appraise the Vectus Board

8. Annual CSR Budget

The Committee shall endeavor to spend atleast 2% of the average net profit of the Company made during the preceding three immediately preceding financial years on CSR activities as enumerated above.

CSR expenditure incurred by way of CSR activities undertaken by institutions shall not exceed 5% of the total CSR expenditure of the Company in one financial year.

CSR expenditure shall include expenses on all CSR activities approved by the board of directors of the Company on the recommendation of the CSR Committee. However, the CSR expenditure shall not include any expenses on such activities which are not in conformity or not in line with the activities as detailed in Schedule VII of the Companies Act, 2013.

Any surplus arising out of the CSR projects/programs / activities will not form part of the business profit of the Company and shall be reused for CSR purpose only.

9. Implementation

Project /programs covered under CSR activities shall be implemented by the Company

1. Directly or,
2. NGOs and trusts etc.

The time period/duration of each project/programs shall depend on its nature, extend of coverage and intended impact of such activity.

10. Monitoring

There would be two level of monitoring and review undertaken for CSR initiatives.

Level 1: Local review, dissemination of MIS and exception reports by the execution team which would be headed by the Plant GMs of the respective areas.



Level 2: Senior level reviews on the progress, effectiveness, action plans and support required. This review would be performed by the Monitoring committee comprising of Managing Director, CFO and the GM – HR. The monitoring committee would coordinate with GM Plant/Depot heads for ensuring proper utilization of funds and to inspect the activities undertaken and ensure information in a timely manner.

Level 3: An annual presentation will be made by the monitoring committee to the CSR Committee which will also includes the details of the projects / activities planned for the next year and its respective budgets

Level 4: Half Yearly, Board of Directors of the Company should review the implementation of CSR.

11. Disclosures

CSR initiatives undertaken by the Company, the CSR spend during the financial year and other information as required by the prevailing law, sections 134 and 135 of Companies Act 2013, Schedule VII of the Companies Act, 2013, the Companies (Corporate Social Responsibility Policy) Rules, 2014 and any other applicable laws will also be reported in the Annual Report of the Company.

12. Implementing Agency

CSR Activities can now be implemented either through Vectus Industries Limited or can be routed through its own trust “Vectus Foundation”.

13. General

For queries related to the CSR Policy, please write to us at: hr@vectus.in

Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued by Government from time to time.

The Company reserves the right to modify, cancel, add or amend any of these Rules.

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