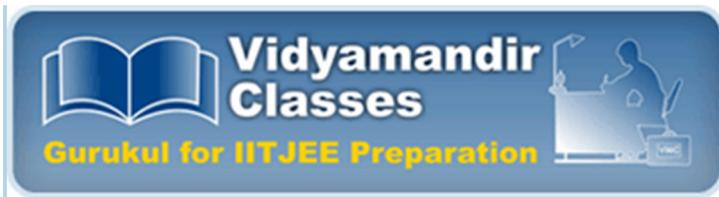




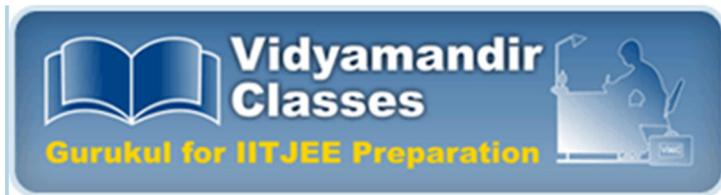
# CORPORATE SOCIAL RESPONSIBILITY POLICY

(AS Approved by the board vide resolution no5 pass at the meeting held on 01 April 2014)



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## 1. INTRODUCTION AND BACKGROUND

VIDYA MANDIR CLASSES LIMITED (VMC) is a leading institute to carry on the business of imparting education and running coaching classes for the student in various field and to furnished printed materials to the students for various courses in educational institutions.

Over the years, the name of Vidya Mandir Classes (VMC) has become synonymous with success in IITJEE. Vidyamandir has over the years designed, delivered, perfected and innovated the art and science of teaching and guiding students for entrance exam for the IITs, which are recognized as the Premier Technology Institutions across the world.

Our goal at Vidyamandir Classes (VMC) is to provide knowledge and guidance and thereby create an environment that not only guides students to the path of success, but also inspires them to recognize and explore their own potential. Vidyamandir Classes (VMC) is run by a group of Ex-IITians, who have over the years, guided thousands of IIT aspirants to fulfill their dream of getting into the prestigious IITs.

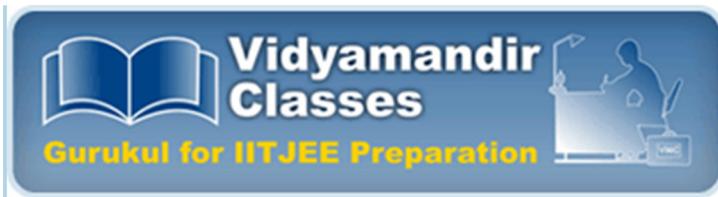
The fact that more than 25,000 students appeared for the VMC Test for the limited seats on offer in 2014 is ample testimony to VMC's popularity and credence within the IITJEE aspirants' community.

All Courses are based on the time tested teaching methodology which has been perfected by VMC and which has produced unmatched results in IITJEE consistently for more than 20 years.

## 2. CSR VISION ,MISSION, OBJECTIVE

The CSR vision of Vidya Mandir Classes (VMC) **“Empowerment through Education.”**

**The objective of this policy is to:**



- Demonstrate commitment to the common good through responsible business practices.
- Create an environment of Good Governance to ensure sustainable change.
- Set high standards of quality while delivery of services in social sector by creating robust processes and replicable models.

### **3. FOCUS AREAS**

Vidya Mandir Classes (VMC) will implement its CSR activities in accordance with Section 135 of the Companies Act, 2013 and the Rules notified thereafter. Currently the CSR focus area for Vidya Mandir Classes (VMC) is Promotion of Education and within this broad theme, specific areas such as school education, education for employment, and Women's Empowerment. The interventions in these thematic areas will be prioritized to reach the underserved segments of the population like women, economically and geographically disadvantaged population, and vulnerable and marginalized population.

### **4. DEFINITIONS :**

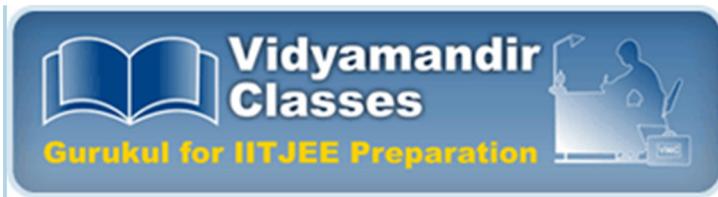
"Corporate social responsibility may be referred to as "corporate citizenship" and can involve incurring short-term costs that do not provide an immediate financial benefit to the company, but instead promote positive social and environmental change."

"Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large"

**-The World Business Council for Sustainable Development (WBCSD)**

"A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis."

**-EU Definition of CSR**



"CSR is about how companies manage the business processes to produce an overall positive impact on society"

**-MallenBaker, expert on CSR**

## **5. RATIONALE FOR CSR:**

Corporate social responsibility (CSR) promotes a vision of business accountability to a wide range of stakeholders, besides shareholders and investors. Key areas of concern are environmental protection and the wellbeing of employees, the community and civil society in general, both now and in the future.

The concept of CSR is underpinned by the idea that corporations can no longer act as isolated economic entities operating in detachment from broader society. Traditional views about competitiveness, survival and profitability are being swept away.

Corporate Social Responsibility (CSR) is an emerging business trend. More and more businesses are discovering the benefits of strategically managing their social and environmental performance to generate positive CSR outcomes for their customers, their employees and their communities.

### **SOME OF THE DRIVERS PUSHING BUSINESS TOWARDS CSR INCLUDE:**

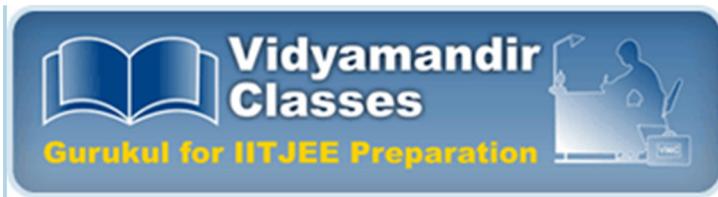
#### **a. The shrinking role of government**

In the past, governments have relied on legislation and regulation to deliver social and environmental objectives in the business sector. Shrinking government resources, coupled with a distrust of regulations, has led to the exploration of voluntary and non-regulatory initiatives instead.

#### **b. Demands for greater disclosure**

There is a growing demand for corporate disclosure from stakeholders, including customers, suppliers, employees, communities, investors, and activist organizations.

#### **c. Increased customer interest**



There is evidence that the ethical conduct of companies exerts a growing influence on the purchasing decisions of customers. In a recent survey by Envionics International, more than one in five consumers reported are either rewarded or punished companies based on their perceived social performance.

#### **d. Competitive labour markets**

Employees are increasingly looking beyond paychecks and benefits, and seeking out employers whose philosophies and operating practices match their own principles. In order to hire and retain skilled employees, companies are being forced to improve working conditions.

#### **e. Supplier relations**

As stakeholders are becoming increasingly interested in business affairs, many companies are taking steps to ensure that their partners conduct themselves in a socially responsible manner. Some are introducing codes of conduct for their suppliers, to ensure that other companies' policies or practices do not tarnish their reputation.

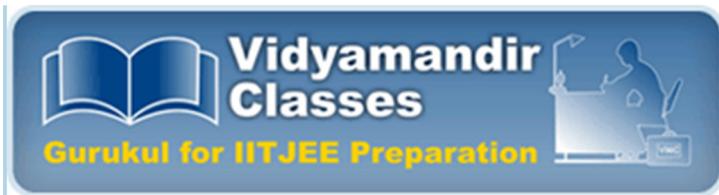
**SOME OF THE POSITIVE OUTCOMES THAT CAN ARISE WHEN BUSINESSES ADOPT A POLICY OF SOCIAL RESPONSIBILITY INCLUDE:**

##### **i. Company benefits:**

- Improved financial performance;
- Lower operating costs;
- Enhanced brand image and reputation;
- Increased sales and customer loyalty;
- More ability to attract and retain employees;
- Reduced regulatory oversight;
- Access to capital;
- Workforce diversity;
- Product safety and decreased liability.

##### **ii. Benefits to the community and the general public:**

- Charitable contributions;
- Employee volunteer programs;
- Corporate involvement in community education, employment and homelessness programs;



- Product safety and quality.

### **iii. Environmental benefits:**

- Greater material recyclability;
- Better product durability and functionality;
- Greater use of renewable resources;
- Integration of environmental management tools into business plans, including life-cycle assessment and costing, environmental management standards, and eco-labelling.

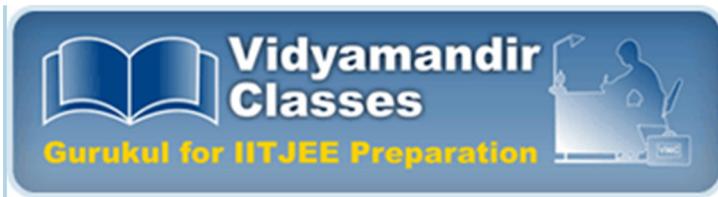
The concept of corporate social responsibility is now firmly rooted on the global business agenda. But in order to move from theory to concrete action, many obstacles need to be overcome.

A key challenge facing the business is the need for more reliable indicators of progress in the field of CSR, along with the dissemination of CSR strategies. Transparency and dialogue can help to make a business appear more trustworthy, and push up the standards of other organizations at the same time.

There is increasing recognition of the importance of public-private partnerships in CSR. Private enterprise is beginning to reach out to other members of civil society such as non-governmental organizations, the United Nations, and national and regional governments.

## **6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE :**

- I. Composition of the CSR committee: CSR Committee will consists of 3 directors
- II. The CSR committee of Vidya Mandir Clases will be responsible for:
  - Formulating the CSR policy in compliance to Section 135 of the Companies Act 2013
  - Identifying activities to be undertaken as per Schedule VII of the Companies Act 2013.
  - Recommending to Board, the CSR expenditure to be incurred.
  - Recommending to Board, modifications to the CSR policy as and when required.
  - Regularly monitoring the implementation of the CSR policy



## **7. ROLES AND RESPONSIBILITIES :**

**The Board of Vidya Mandir Classes (VMC) will be responsible for:**

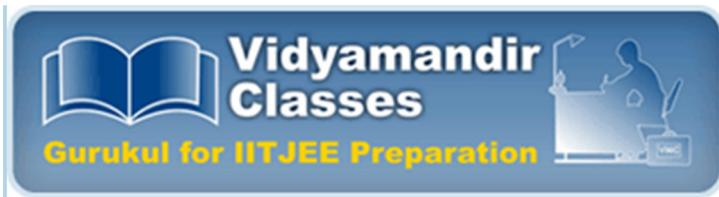
- approving the CSR policy as formulated by the CSR Committee
- Ensuring that in each financial year the Company spends at least 2% of the average net profit before taxation excluding profits arising from overseas branches made during the three immediate preceding financial years.
- Ensuring that every financial year funds committed by the Company for CSR activities are utilized effectively and regularly monitoring implementation.
- Disclosing in its Annual Report the names of CSR Committee members, the content of the CSR policy and ensure annual reporting of its CSR activities on the Company website.
- Ensuring annual reporting of CSR policy to the Ministry of Corporate Affairs, Government of India, as per the prescribed format.

As per Section 135 the reasons for under spending of the allocated CSR budget shall be specified in the Board's Report. The surplus arising out of the CSR activities, if any, will not be considered as a part of the business profits of the company.

## **8. ACTIVITIES THAT COMPANY MAY ENTER INTO IN ORDER TO MEET ITS CORPORATE SOCIAL RESPONSIBILITY**

Following activities as mentioned in Schedule VII of the Companies Act 2013 shall be the only activities that the company may pursue to meet its corporate social responsibility target:

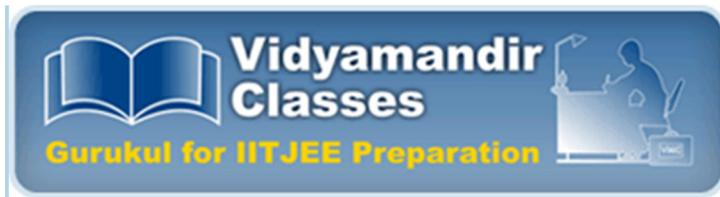
- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set up by Central Government for the promotion of sanitation and making available safe drinking water;
- (ii) Promoting education, 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 age homes, 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, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga fund set up by 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 arts 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 Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- (ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
- (x) Rural development projects.
- (xi) Slum area development.

**NOTE:** Slum area shall mean any area declared as such by the Central Government or any state Government or any other competent authority under any Law for the time being in force.

## **9. EXPENDITURE TO BE INCURRED FOR MEETING CORPORATE RESPONSIBILITY OF COMPANY.**



At least 2% of the average net profits of the company made during the three immediately preceding financial years shall be spent on corporate social responsibility activities.

Any unspent / un- utilized CSR allocation of particular year will be mentioned in the Board Report along with the reasons for not spending such amount.

## **10. AREA OF OPERATION**

The Company is free to perform its CSR activities across the country. Although the Company has recently opened its Physical Centre's at Bareilly, Guwahati, Jammu, West Bengal, Ranchi, Katni, Bhilai etc but preference shall be given to the local area of operation i.e Delhi.

## **11. CSR REPORTING.-**

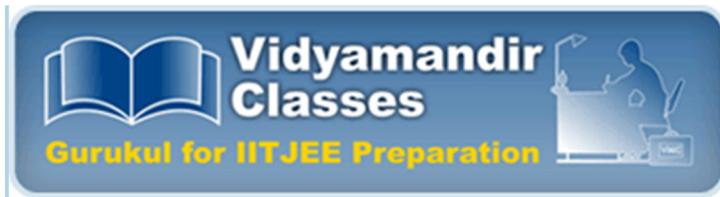
(1) The Board's Report of a company covered under these rules pertaining to a financial year commencing on or after the 1st day of April, 2014 shall include an annual report on CSR containing particulars specified in Annexure-1

(2) The Board of Directors of the company shall, after taking into account the recommendations of CSR Committee, 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.

## **12. MANNER OF UNDERTAKING CSR ACTIVITY**

Company may perform the tasks as outlined by the corporate social responsibility committee after confirmation of the Board of Directors of the company in following manner:

(1) The company may incorporate section 8 Company either singly or along with its holding or subsidiary or associate company or along with any other company or holding, subsidiary or associate company of such other company or otherwise for the purpose as enlisted in the policy and perform social responsibility through the company so formed in constant monitoring of the Corporate Social responsibility committee.



(2) The company may perform its CSR activities through providing donation or subscription to any established trust, society or company having track record of 3 years, incorporated to perform the activities as enlisted in the policy, with a clause that the company shall be entitled to monitor the utilization of funds donated by the company.

### **13. MANNER OF MONITORING THE CSR ACTIVITIES**

(1) The committee in consultation of the board of Directors shall be the authorized body to monitor and ensure Compliance of Corporate Social responsibility as enlisted in the policy.

(2) The Committee is authorized to enter into contract to trace utilization of funds and ask for detailed report for such spending.

(3) The Committee may from time to time inspect the site or records of to ensure proper utilization of the funds outlined to meet CSR.

(4) The activities of the Committee shall be subject to audit from an Company Secretary in Practice.

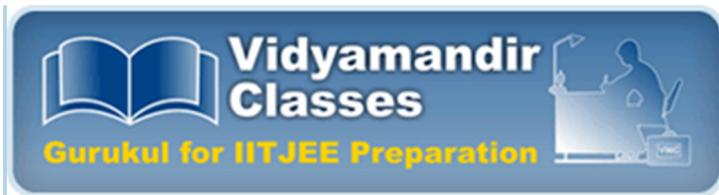
### **14. GENERAL**

- The CSR policy shall be modified if there are any relevant changes in the companies act

-The company has every right to add, amend or delite any of the rules mention in the policy.

-any modifications in the policy are to be approved by the CSR committee.

**THANK YOU**



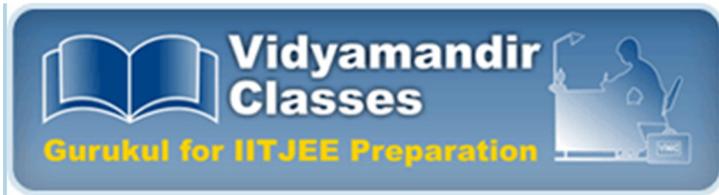
**Annexure -1**

**Corporate Social Responsibility (CSR)**

**[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]**

1. A brief outline of the Company’s CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.
2. The Composition of the CSR Committee. CSR Committee consists of 3 directors
3. Average net profit of the company for last three financial years
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)
5. Details of CSR spent during the financial year.
  - (a) Total amount to be spent for the financial year;
  - (b) Amount unspent, if any;
  - (c) Manner in which the amount spent during the financial year is detailed below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency*
1							
2							
3							



	TOTAL						
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\*Give details of implementing agency.

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company

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