

Annexure D
ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

CSR Policy (Approved by the Board of Directors on 13.03.2015)

The CSR policy of the Company is hosted on the website of the Company and can be accessed at the below link -

http://www.vrlgroup.in/investor_download/CSR%20POLICY.pdf

The Company has established a public charitable trust "VRL Foundation" to carry out its CSR activities. In terms of General Circular 21/2014 issued by the Ministry of Corporate Affairs, our contribution to this trust qualifies as CSR expenditure as this trust is solely formed to carry out CSR activities. The objects of the trust are in consonance with the contents of Schedule VII of the Companies Act, 2013. The trust has also received recognition as a Charitable Trust under Section 12A of the Income Tax Act 1961.

Stated herein below, *interalia*, area few of the objects of the Foundation:

1. Eradication of hunger, poverty and malnutrition; promotion of preventive healthcare and sanitation including contribution to Swachh Bharat Kosh set up by the Central Government;
2. Promotion of education, employment enhancing vocational skills and livelihood enhancement projects especially among children, women, elderly and the differently abled;
3. Promotion of Gender equality, Empowerment of Women, setting up of homes and hostels for women and orphans; setting up of old age homes, day care centre facilities for senior citizens;
4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources including contribution to the Clean Ganga Fund set up by the Central Government;
5. Contribution to Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and welfare of the Scheduled Caste, the Scheduled Tribes, other backward classes and minorities.
6. To undertake rural and slum area development.

2. Composition of the CSR Committee

The Board has duly constituted a CSR Committee and its composition is as under-

Name of the Member	Designation
Dr. Prabhakar Kore	Chairman
Mr. Anand Sankeshwar	Member
Mr. C Karunakara Shetty	Member
Mrs. Medha Pawar	Member

3. Average Net profit of the Company for last 3 financial years:

The average net profits for the last three financial years computed as stated under Section 135 of the said act is ₹ 12311.19 Lakhs.

4. Prescribed CSR expenditure (Two per cent of the amount as in item no.3 above):

As stipulated under the Companies Act, 2013, the prescribed CSR expenditure i.e 2 % of the amount as in item no.3 above works out to ₹ 246.22 lakhs.

5. Details of CSR spent during the Financial Year:

- a) Total amount to be spent for the Financial Year - ₹ 246.22 lakhs
 b) Amount Spent - ₹ 141.08 lakhs
 c) Amount unspent - ₹ 105.14 lakhs
 d) Manner in which the amount spent during the Financial Year: As detailed below:

(₹ in Lakhs)

Sl. No.	CSR Project or activity identified	Sector in which project is covered	Projects or programs - State / Union territories where the project / program undertaken	Projects or programs - specify the district where the project / program undertaken	Amount outlay (Budget) project or programs wise	Amount spent on project or programs	Expenditure on administration overheads *	Mode of amount spent
1.	VRL Foundation - Contribution towards Trust Corpus	Health & Education	Karnataka	Multiple districts	80.00	50.00	Not quantified	Corpus contribution
2.	The Karnataka Cancer Therapy and Research Institute	Health	Karnataka	Hubballi - Dharwad	25.00	25.00		Project contribution
3.	Majethia Foundation	Health	Karnataka	Hubballi - Dharwad	25.00	25.00		Project contribution
4.	Hurkadli Aija Kalyan Kendra	Education	Karnataka	Dharwad	25.00	25.00		Project contribution
5.	Amit Patil Central School	Education	Karnataka	Kalaburagi	10.00	10.00		Project contribution
6.	Sirsi Lions Education Society	Education	Karnataka	Uttara Kannada	5.00	5.00		Project contribution
7.	SGBS Trust	Education	Karnataka	Bengaluru	1.08	1.08		Project contribution
Total					171.08	141.08		

* As a matter of policy we have decided not to quantify the administrative overheads attributable to these activities.

6. Reason for not expending prescribed amount to be specified

The CSR committee of the Board has laid down the policy as also the guidelines for undertaking suitable projects to the Trustees of VRL Foundation. Your Company also participates / contributes directly to projects on merit basis. VRL Foundation presently participates in projects relevant to education and healthcare. It has also extended support to several needy educational institutions for infrastructure development etc. Such defrayal is undertaken after a thorough study and visit by the Trust officials. The Trust has spent moneys on the basis of projects deemed genuine by it and such spend has not been done with a view to exhaust the available eligible CSR budget.

In line with our thought process and as guided by the CSR Committee of the Board the unspent amounts would not be carried forward for spends in future years. The Trust would undertake projects purely on merits and going by this ideology, there is a chance that there could be a situation that the trust may spend more than the available CSR budget on projects that it deems are genuine and would affect the society at large.

7. Pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014, we hereby confirm that the CSR Committee has implemented and monitored the CSR initiatives in line with CSR Objectives and Policy of the Company.

Dr. Vijay Sankeshwar
Chairman & Managing Director
(DIN: 00217714)
Place: Hubballi
Date: May 19, 2017

Dr. Prabhakar Kore
Chairman - CSR Committee
(DIN: 00509836)
Place: Hubballi
Date: May 19, 2017