



POLICY ON CORPORATE SOCIAL RESPONSIBILITY

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CIN: L18101DL2003PLC121698

1. PREFACE

AVSL is committed to improve the lives of the society in which it operates. The Company believes in “looking beyond business” and strives to create a positive impact on the communities it serves and on the environment. The Company is committed not just to profits, but also towards leaving a deeper imprint on the society as a whole. We understand that there is a need to strike a balance between the overall objectives of achieving corporate excellence vis-à-vis the company’s responsibilities towards the community.

Constitution of a Corporate Social Responsibility Committee of the Board and formulation of a Corporate Social Responsibility Policy has become mandatory under the Companies Act, 2013. Accordingly, our Company has formulated this CSR Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs. This policy will be applicable to AVSL.

2. OBJECTIVE OF THIS POLICY

The objectives of this policy are:

(a) To set forth the company’s Corporate Social Responsibility Policy (hereinafter referred to as the CSR Policy) for its India operations as stipulated in the Section 135 of the Companies Act, 2013 and the rules thereof.

(b) To identify and formulate the broad areas the company shall pursue towards fulfilling its CSR obligations.

(c) To serve as a guiding document to plan, identify, implement and monitor CSR initiatives.

3. CONSTITUTION OF CSR COMMITTEE

In terms of section 135 of the Companies Act, 2013 and the Rules made thereunder, Board of Directors of the Company at its meeting held on 31st October, 2020 has constituted a CSR Committee and the following are its members;

NAME	STATUS	DESIGNATION
Mr. Sanjay Bansal	Chairperson	Managing Director

Mrs. Priti Bansal	Member	Executive Director
Mr. Dharendra Sangal	Member	Independent Director

The CSR Committee to, inter alia, carry out the following functions;

- a. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and the rules made thereunder.
- b. To recommend the amount of expenditure to be incurred on the CSR activities.
- c. To monitor the implementation of framework of CSR Policy.
- d. To carry out any other function as mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable, necessary or appropriate for performance of its duties.

4. DEFINITIONS

The terms defined in this CSR Policy shall have the meanings herein specified and terms not defined shall have the meanings as defined in the Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014 including any statutory modifications or re-enactments thereof.

4.1 “Act” means the Companies Act, 2013 including any statutory modification or re-enactment thereof.

4.2 “Associate Company” in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

Explanation: Significant influence means control of at least 20% of total share capital or of business decisions under an agreement.

4.3 “Average Net Profit” means profit calculated as per Section 198 of the Companies Act, 2013.

4.4 “Board” means the Board of Directors of the Company.

4.5 “Board’s Report” shall mean report of the Board of Directors prepared in accordance with section 134(3) of the Companies Act, 2013.

4.6 “Company” means **AVSL INDUSTRIES LIMITED**.

4.7 “CSR” means Corporate Social Responsibility.

4.8 “CSR activities” means the activities or projects or programmes as recommended by the CSR Committee and approved by the Board, undertaken by the Company from time to time in any one or more of the areas falling under the Schedule VI to the Companies Act, 2013.

4.9 “CSR Committee” means the Committee of the Board constituted under section 135 of the Act for the purpose of administration of CSR activities, supervising the adherence of this CSR Policy and the matter incidental thereto.

4.10 “CSR Policy” means the Corporate Social Responsibility Policy as set out herein and as amended or modified from time to time.

4.11 “CSR Rules” means Companies (Corporate Social Responsibility) Rules, 2014.

4.12 “Independent Director” means a non-executive director of the Company within the meaning of section 2(47) of the Companies Act, 2013 and Regulation 17 of the SEBI (LODR) Regulations, 2015.

4.13 “Holding Company” means a Company within the meaning of section 2(46) of the Companies Act, 2013.

4.14 "Net profit" means the net profit of the 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.

4.15 “SEBI” means the Securities and Exchange Board of India constituted under Securities and Exchange Board of India Act, 1992.

4.16 "Subsidiary Company" means a Company within the meaning of section 2(87) of the Companies Act, 2013.

5. CSR ACTIVITIES

(i) The Company shall undertake the activities as recommended by the CSR committee and approved by the Board in accordance with the provisions of Section 135 of the Companies Act, 2013 read with Schedule VII and Companies (CSR Policy) Rules, 2014

a. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water [including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.;

b. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;

c. 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;

d. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water [including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga];

e. 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;

f. Measures for the benefit of armed forces veterans, war widows and their dependents [Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows];

g. Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;

h. Contribution to the Prime Minister's National relief fund [or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES 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;

i. (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).]

J. Rural development projects.

K. slum area development.

Explanation.- For the purposes of this item, the term '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.

L. disaster management, including relief, rehabilitation and reconstruction activities

(ii) The CSR activities (either new or ongoing) shall be undertaken by the Company in accordance with this policy and shall exclude activities undertaken in pursuance of its normal course of business.

(iii) Subject to the provisions of section 135(5) of the Act, the CSR projects or programs or activities undertaken in India only shall qualify for CSR expenditure.

(iv) 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 including expenditure on administrative overheads shall not exceed five percent of total CSR expenditure of the company in one financial year.

Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company.

6. CSR EXPENDITURE

a. As per the provisions of Companies Act, 2013, the Board shall ensure that the Company spends in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years.

b. CSR Committee shall recommend the amount of expenditure project wise to be incurred annually to the Board for its consideration and approval.

c. CSR expenditure shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act.

7. MONITORING THE CSR POLICY

CSR Committee shall monitor periodically the implementation of the projects /programs / activities undertaken by the Company and report to the Board on a regular basis the progress of CSR activities.

8. PUBLICATION

The CSR Policy shall be displayed on the website of the Company, on approval of the Board. The CSR Committee should notify the employees about the policy from time to time. The policy will be displayed permanently on the company's intranet enabling every employee to access, be aware and contribute to the policy and drive

actions going forward. The new employees shall be informed about the policy by the HR department at the time of on boarding.

9. EXCLUSION

The CSR projects/ programmes that benefit just and only the employees of the Company and/or their families shall not be considered as CSR activities, within the purview of this Policy and Section 135 of the Companies Act, 2013. Further, CSR activities do not include the activities undertaken in pursuance of normal course of business of the Company.

The Company's contribution of any amount directly or indirectly to any political party under Section 182 of the Act, shall not be considered as a CSR activity.

10. RENEWAL OF POLICY

This policy will be reviewed annually by the CSR Committee to check the effectiveness and impact of the policy. The CSR Committee has the right to amend or modify this policy in whole or in part, at any time, as deemed necessary. Any amendments or modifications will be suitably notified to all stakeholders.