



AARVI ENCON LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY
Amended on 26.05.2022

PREAMBLE:

In compliance with the provisions of Section 135 of the Companies Act, 2013 (“the Act”) and Rules made thereunder, the Board of Directors of the Company hereby revise its Corporate Social Responsibility Policy (“CSR Policy”) in order to make a positive and sustainable impact on the communities and societies in which the Company operates.

OBJECTIVE:

Our Company adheres to highest level of ethical standards, and also as a responsible corporate citizen, the Company is committed to sustainable development and inclusive growth and has been focusing on issues relating to water, environment, healthy living, social advancement and promoting gender equality and empowerment of women. Although the Company will continue to support activities as per Schedule VII of the Act listed below, the Company focuses its efforts on Eradication of poverty, hunger and Malnutrition, Promotion of Social welfare, empowering Women, Research, Education and Shelter, medical camps and environmental sustainability.

The Company shall take on projects / activities listed below as per Schedule VII of the Act, which will not include such activities undertaken for the benefit of Company’s employees or their relatives:

- (i) Eradicating hunger, poverty and malnutrition, 2[“promoting health care including preventive health care”] and sanitation 4[including contribution to the Swachh Bharat Kosh set-up by the 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 centres 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, agroforestry, conservation of natural resources and maintaining quality of soil, air and water 4[including contribution to the Clean Ganga Fund set-up by the 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 art and handicrafts;
- (vi) measures for the benefit of armed forces veterans, war widows and their dependents;
- (vii) training to promote rural sports, nationally recognised 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 govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

(ix) (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).

(x) rural development projects

(xi) slum area development.

(xii) disaster management, including relief, rehabilitation and reconstruction activities.

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.

The activities undertaken in pursuance of its normal course of Business and any contribution of any amount directly or in directly to any political party under section 182 of the Act, shall not be considered as CSR Activity.

FORMATION OF CSR COMMITTEE AND ITS ROLE AND RESPONSIBILITIES:

The CSR Committee shall be comprised in accordance with the requirements of Applicable Law. This CSR Policy, details of the composition of the CSR Committee and projects approved by the Board shall be hosted on the Company's website at www.aarviencon.com.

- The Corporate Social Responsibility Committee shall formulate and recommend to the board, an annual action plan in pursuance of its

CSR Policy, which shall include the following, namely:-

(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 as specified in sub-rule (1) of rule 4;

(c) the modalities of utilization 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:

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

CSR SPEND:

- The Board shall ensure that the company spends, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy;

“Explanation: Average net profit shall be calculated in accordance with the provisions of section 198 of the Act.”

- **The company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities;**
- 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 the CSR Committee, but do 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.
- The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a Company.
- Where a company spends an amount in excess of requirement provided under sub-section (5) of section 135 , such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that -
 - i. the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule.
 - ii. the Board of the company shall pass a resolution to that effect.
- If the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount.

- Until a fund is specified in Schedule VII for the purposes of subsection (5) and(6) of section 135 of the Act, the unspent CSR amount, if any, shall be transferred by the company to any fund included in schedule VII of the Act.

DISCLOSURE:

The Company shall disclose the contents of this policy in its Report and the same shall be displayed on the Company's website.

AMENDMENTS TO THE CSR POLICY:

The Board of Directors of the Company shall have the powers to revise/modify/amend this Policy from time to time, as the Board may think fit, based on the recommendations to be made by the CSR Committee to confirm to the revision/amendment, if any, to be made to the CSR Rules by the MCA, under the Act.