

**CORPORATE SOCIAL RESPONSIBILITY**  
**POLICY**  
**(CSR POLICY)**  
**OF**  
**AVI APPLIANCES PRIVATE LIMITED**  
**(CIN: U31109GJ2003PTC042161)**

## **INTRODUCTION:**

Avi Appliances Private Limited ("the Company") fosters a culture of caring, trust and continuous learning while meeting the expectations of all stakeholders and society at large.

As a responsible Corporate Citizen, the Company contributes towards inclusive growth by empowering communities and accelerating development. The Company's CSR Policy framework details the mechanisms for undertaking various programs in accordance with section 135 of the Companies Act 2013 for the benefit of the community.

Further, the Companies which have effective CSR mechanism leads to have a good public image which helps to achieve sustainable growth in their operations in the long run and their products and services are preferred by the customers.

## **COMPANY PHILOSOPHY FOR CSR POLICY:**

Companies Act, 2013 has formally introduced the Corporate Social Responsibility to the dashboard of the Indian Companies. Avi Appliances Private Limited is much positive and appreciate the decision taken by the Government of India. Legal framework of CSR is an edge to Corporate Charitable/reformative approach towards the Society to which the Corporate belonging to. By introducing the separate section for CSR in Companies Act, 2013, the Government has given legal recognition to their community development approach.

The management of the Avi Appliances Private Limited expresses its willingness and support to the CSR concept, its legal framework and shall be abided to it.

## **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

Where the amount to be spent by a Company on CSR does not exceed fifty lakh rupees, the requirement for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee shall, in such cases, be discharged by the Board of Directors of such company.

Currently the Company is not required to constitute CSR Committee. Therefore, till the time there is no requirement of CSR Committee, the CSR Committee wherever mentioned in this policy shall be read as Board and the functions/ responsibilities to be performed by the Committee shall be discharged by the Board of Directors.

## **CSR ACTIVITIES:**

The focus areas for the Company for CSR initiatives is based on the list of activities mentioned in the Schedule VII of The Act, and the need assessment carried out by the company every year Schedule VII activities are listed below:

- Eradicating hunger, poverty and malnutrition safe drinking water and sanitation;
- Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- ensuring environmental sustainability, ecological balance, protection of flora & fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
- 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;
- Measures for the benefit of armed forces veterans, war widows and their dependents;
- Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports ;
- Contribution to the prime minister's national relief or any other fund set up by central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- 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 Contributions to public funded Universities ;
- Rural development projects;
- Slum area development where '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;
- Disaster management, including relief, rehabilitation and reconstruction activities;
- Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Science and Technology;

Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga 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).

### **BUDGET FOR CSR ACTIVITY & CSR EXPENSES:**

The Company shall allocate the budget for CSR activities. The minimum budgeted amount for a financial year shall be 2% of the average net profit of three immediate preceding financial years as per the applicable provisions of the Companies Act, 2013 and rules made thereunder. The Company may allocate more fund/amount than the amount prescribed under section 135 of the Companies Act, 2013, for the CSR activities for any financial year. The Committee shall calculate the total fund for the CSR activities and recommend to the Board for the approval. The Board shall approve the total fund to be utilized for CSR activity for respective financial year.

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 approved CSR activities.

### **IMPLEMENTATION PROCESS:**

After prioritizing the activity the Committee shall finalise the detailed implementation project/programme, including planning for expenses against the total budget allocated for CSR activities.

### **RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND CSR COMMITTEE:**

#### **The Committee shall:**

- a) The CSR Committee shall formulate and periodically review/monitor the CSR Policy which shall indicate the projects/ programmes/activities to be undertaken by the Company as specified in Schedule VII of the Act and associated frameworks, processes and practices of the Company and make appropriate recommendations to the Board.
- b) The CSR Committee shall ensure to take appropriate measures to undertake and implement CSR projects/programmes/activities successfully and shall monitor the CSR Policy from time to time.

- c) The CSR Committee shall identify the areas as well as monitor and review performance of CSR projects/programmes/activities periodically. Out of approved CSR activities, the Committee shall decide which activity/project should be given priority for the respective financial year. While arriving at the decision of the activity to be undertaken for the respective year, the Committee shall analyse the basic need of the community/ area in which the Organisation operates or at the place where its registered office is situated. The Committee shall record its findings and prioritise the CSR activities.
- d) The CSR Committee shall recommend the amount of expenditure/CSR budget to be incurred on CSR projects/programmes/activities as well as regularly report and make recommendations to the Board
- e) To recommend Annual Report on CSR activities.
- f) To review and submit impact assessment reports, if required, to the Board.
- g) The CSR Committee of the Board shall meet as and when required
- h) The CSR Committee shall formulate Annual Action plan and recommend the same to the Board.
- i) Such other functions as mandated by the Board of Directors or as mandated under the Act and the rules made thereunder.

**The Board of Directors shall:**

- a) Board shall ensure that the CSR activities are undertaken by the Company in adherence to this policy.
- b) The Board shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
- c) In case of on-going project, the Board shall monitor the implementation of the project with reference to the approved timelines and fund-wise allocation and shall be competent to make modification if any, for smooth implementation of the project within the overall permissible time period.
- d) The Board may approve Annual Action plan and thereafter may alter the same at any time during the financial year

- e) The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.
- f) If the company spends an amount in excess of mandated amount under the Act, such excess amount may be set off against up to immediate succeeding three financial years.
- g) such other functions as may be required under the Act.

The Board may constitute/reconstitute CSR Committee as and when deemed necessary and such committee shall have at least two directors as member.

**MANAGEMENT COMMITMENT:**

Our Board of Directors, our Management and all of our employees subscribe to the philosophy of compassionate care. We believe and act on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. This is the cornerstone of our CSR policy.

Our Corporate Social Responsibility policy conforms to the relevant section of the Corporate Social Responsibility, Rules made under Companies Act, 2013 and amendment(s) to be made thereto in future.

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