

AVONMORE CAPITAL & MANAGEMENT SERVICES LIMITED

POLICY ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

(Amended/Effective on April 01, 2021 by Incorporated changes pertaining to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 and Section 135 of the Companies Act, 2013, vide Notifications issued by the MCAon 22nd January 2021.)

Philosophy and vision

The formal policy on Corporate Social Responsibility (CSR) is adopted by the Company to align its philosophy to initiate measures and pursue socially useful programmes with the objectives and activities of CSR envisaged and incorporated in the Companies Act, 2013 and the rules made thereunder as amended from time to time.

The policy has been formulated as per requirements of Section 135 of the Companies Act, 2013 and the terms, rules and regulations mentioned in this policy are as per the Companies Act, 2013 and rules made thereunder including amendments thereon from time to time. The Board may, upon recommendation of CSR Committee, amend or modify this CSR Policy as and when necessary.

CSR purpose statement

• Ensuring sustainable business process – economically, environmentally, socially and enhancing human excellence & improving quality of life is our endeavour

Definitions

- Board means Board of Directors of the Company.
- Corporate Social Responsibility or CSR means and includes but is not limited to:-
 - i) Projects or programs relating to activities specified in Schedule VII to the Companies Act, 2013; or
 - ii) Projects or programs relating to activities undertaken by the Company in pursuance of the recommendations of the CSR Committee and approved by the Board as per this policy.
- CSR Committee means Corporate Social Responsibility Committee constituted by the Board pursuant to Section 135 of the Companies Act, 2013.
- Company means Avonmore Capital & Management Services Limited.
- Net Profit means the net profit of the Company as per its financial statements prepared in accordance with the applicable provisions of the Companies Act, 2013.
- Words and expressions used in this policy and not defined herein but defined under the Companies Act, 2013, shall have the meanings respectively assigned to them therein.

- The CSR initiatives / activities of the Company will be identified and initiated by the CSR Committee.
- The CSR Committee shall recommend to the Board the amount of expenditure to be incurred or incurred by the Company on CSR activities in accordance with the provisions of Section 135 of the Companies Act, 2013.
- The CSR Committee may delegate its responsibility to CFO for monitoring of the CSR spending.
- The composition of CSR Committee shall be disclosed in the Board's report.

CSR activities

The Company may undertake any of the following activities as its CSR activities:

1. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently-abled and livelihood enhancement projects
3. 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
4. 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
5. 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
6. Measures for the benefit of armed forces veterans, war widows and their dependants
7. Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports 4
8. 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, Scheduled Tribes, other backward classes, minorities and women
9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government 10. Rural development projects

10. Such other matters as may be prescribed under applicable statute;

11. Such other activity / social cause as may be thought fit by the CSR Committee and approved by the Board.

Amount of expenditure to be incurred on the CSR activities

The Company will endeavour to spend the following amounts for CSR activities:

i) 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, as stipulated by the Companies Act, 2013. The "average net profits" shall be calculated in accordance with the provisions of section 198 of the Companies Act, 2013 and the rules made there under from time to time.

ii) Any income arising from the activities mentioned above.

iii) Surplus arising out of CSR activities.

Note

- Contribution of any amount directly or indirectly to any political party under Section 182 of the Companies Act, 2013, shall not be considered as CSR activity.
- Amount spent on CSR activities shall include all expenditure including contribution to corpus for projects or programs relating to CSR activities recommended by the CSR Committee and approved by the Board as per this policy.
- Any surplus arising out of the CSR activity will not be part of the business profits of the Company.
- The CSR Committee will approve the expenditure on CSR activities within monetary limits sanctioned by the Board for such activities.

Modalities of Execution/Implementation

- CSR activities may be initiated / implemented/ executed:

i) By the Company; or ii) Through:

eligible Implementing Agencies who have filed e -form CSR-1 and obtained a valid CSR Registration Number. Such Implementing Agencies could be made to work singly or in tandem with other agencies.

- CSR Committee shall have full discretion to specify or modify the modalities of execution of CSR projects or programs and to determine implementation schedules.

Monitoring

- It will be the responsibility of the CSR Committee/CFO to monitor periodically the implementation of the projects / programmes / activities under this CSR policy and to

ensure compliance of the provisions related to CSR mentioned in the Companies Act, 2013 and rules made there under from time to time.

- The progress of CSR initiatives and activities will be reported to the Board on a regular basis.

Role of Board

The role and responsibility of the Board shall include:

- Approval of CSR policy after taking into account the recommendations of the CSR Committee.
- Reporting in the Board's report (annual) brief outline of this CSR policy including overview of projects or programs, composition of CSR Committee, average net profits of the Company for the last three financial years and prescribed CSR expenditure as required under the Companies Act, 2013 and rules made there under along with
 - i) the total amount spent on CSR activities in the financial year and;
 - ii) amount unspent, if any.
- Ensure that the contents of the CSR policy are displayed on the website of the Company in the manner prescribed under the applicable statute.
- Ensure that the CSR activities are undertaken and executed by the Company as per this CSR policy and the applicable laws.
- Specify in the Board's report, the reasons, if the stipulated required amount is not fully spent in CSR activities.

XXX