

# **AVT NATURAL PRODUCTS LIMITED**

## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

### **FRAME WORK**

We, at AVT Natural Products Limited (AVTNPL) believe that our business is built around strong social relevance of inclusive growth by supporting the farmer community and other stake holders to tackle the challenges faced by the society. AVTNPL equally believe that creation of large societal capital is as important as wealth creation for our share holders.

AVTNPL is committed to conducting our operations with integrity and respect, in the interest of our stake holders and in line with our business ethics. AVTNPL business model is designed to deliver sustainable growth

As a highly responsible human organization, AVTNPL is committed towards the above objective and are keen on developing a sustainable business model to ensure and activate our future growth drivers. AVTNPL have been contributing to the societal wealth creation for the past several years irrespective of any regulatory compulsions as a realization of our above belief. In line with the regulatory expectations, AVTNPL is putting in place a formal policy as a guide towards our social commitment going forward.

### **KEY WORDS AND MEANING**

Act - means the Companies Act 2013, as amended from time to time

CSR - means Corporate Social Responsibility

CSR Policy - means the policy approved by the Board as the Corporate Social Responsibility policy of the Company as modified from time to time.

CSR Rules - means Companies (Corporate Social Responsibility Policy ) Rules 2014

### **CSR POLICY OBJECTIVES**

The objective of the CSR Policy ('Policy') is to lay down the guiding principles in undertaking various programs and projects by or on behalf of the AVTNPL relating to Corporate Social Responsibility ('CSR') within the meaning of the Section 135 of the Companies Act, 2013 read with the Schedule VII of the Act and the CSR Policy Rules 2014 ('Rules').

In accordance with section 135 (5) of the Companies Act, 2013, the AVTNPL is committed to spend at least 2 % of its average net profits made during the three immediately preceding financial year in some of the identified activities that are listed in Schedule VII (as amended) to the Act and the CSR rules notified from time to time.

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## **APPLICABILITY**

The policy shall be applicable to all CSR activities of the AVTNPL whether carried by it or through any implementation agency.

## **CSR COMMITTEE**

CSR committee means the committee of the Board constituted in terms of Section 135 of the Companies Act, 2013 read with Rule 5 of the rules.

## **ROLE OF THE COMMITTEE INCLUDES**

- a. Draft the CSR policy and recommend the same to the Board for approval.
- b. Review and approve any new CSR initiatives to be taken up by the Company including the selection / appointment of implementation agencies.
- c. Review the progress of CSR projects already undertaken by the Company and the utilization of budget for each such projects.
- d. Review and recommend the CSR report to be included in the Boards' report.
- e. Review and recommend any amendments to be made in the CSR policy of the Company.
- f. To carry such other functions as may be delegated to it by the Board relating to the CSR activities of the Company from time to time.

## **CSR GOALS / ACTIVITIES**

As part of the CSR program, the AVTNPL is presently engaged in the some of the projects which are socially relevant and demanding in the locality surrounds its factory area and other locations where the Company has plants or other place of business. AVTNPL may continue to undertake / fund project, programs or activities of the following nature and also undertake such other activities as may be approved by the Board as is falling under the Schedule VII of the Companies Act, 2013.

### ***a) Development of Skilling among various sections of society***

AVTNPL may undertake the activities for development of skill among the various sections among the society with an intention to develop and equip them with the adequate capability.

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## **b) Development of Infrastructure**

AVNPL will develop the infrastructures like roads, pathways, mini water tanks, providing quality drinking water to government schools, high-mast light, cleaning, maintaining and improving the public wells, construction of bus shelters etc., in association with the recognized agencies / local bodies in and around the factory area at South Vazhakulam, Sathyamangalam and Tiptur and also the area in and around the Agro farm service Centres of the Company.

Providing sanitation facilities like building / renovating toilets etc., for the local community around the factory area at sathyamangalam, Tiptur, Vazhakulam and Agro farm centers of the Company.

## **c) Empowerment of Women**

AVTNPL may take up and carry on projects, programs or activities aimed at women empowerment and gender equality. The objective may be achieved through supporting women belonging to socially or financially weaker sections of the society by providing job oriented training programs with an objective of making them financially independent, which includes the financial support for setting up a new stitching unit, sanitary napkin production unit etc.,

## **d) Promotion of Health Care**

AVTNPL may undertake projects or programs to activities aimed at improving the health and hygiene of the socially or economically weaker sections, families in the Below Poverty Line (BPL) by providing free or subsidized medicine, free or concessional treatments at hospitals, provide medical equipments, setting up of medical and diagnostic camps, free medical insurance for a group of people or families in the BPL category, projects or programs aimed at eradicating poverty or malnutrition among women and children, pain and palliative care etc.,

Also to provide the clinic and basic medicines near to all the three factories and the agro farm centres.

## **e) Old age homes / day care facilities for Senior Citizens**

AVTNPL may undertake projects or programs or activities for the protection of elderly citizens by establishing, funding or otherwise supporting old age homes and day care facilities including medical aid, food and accommodation.

## **f) Promotion of Education**

AVTNPL may undertake projects or programs or activities aimed at the promotion of elementary to profession education and to support the students belonging to weaker sections of the society including SC/ST/OBCs by way of setting up schools, colleges, coaching centres, providing libraries, text books and

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other student materials, vocational training centers and centers for physically challenged students, providing endowments or other forms of recognition to successful candidates pursuing government recognized examinations, scholarships or other forms of merit cum means assistance etc.,

Further, the AVTNPL may under take up all or any projects, programs or activities falling under any of the activities in the following fields as approved by the Board on the recommendation of the CSR committee.

- (i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation 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 project;
- (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, agro forestry, conservation of natural resources and maintaining quality of soil , air, water 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 the buildings and sites of the historical importance and work of arts, setting up public libraries; promotion and development of traditional arts, handicrafts;
- (vi) Measures for the benefits of armed forces veterans, war widow and their dependents;
- (vii) Training to promote rural sports, nationally recognized sports, paralympics sports and Olympic sport;
- (viii) Contribution to 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, schedule tribes, other back ward classes, minorities and women.
- (ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- (x) Rural development projects.

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## **GOVERNANCE MECHANISM**

The AVTNPL follows structured governance procedures to monitor CSR activities. The AVTNPL's CSR policy is governed by the Board of Directors of the AVTNPL. The Board has constituted a CSR Committee to monitor the policy and the programs from time to time, which comprises of three directors of the Company.

CSR Committee of the AVTNPL will be responsible for the monitoring of various CSR projects or programs undertaken by the AVTNPL directly or indirectly. The Committee shall ensure that ;

- (a) AVTNPL undertake the CSR activities as provided in the CSR policy.
- (b) The projects / programs are implemented as per the program.
- (c) The budget allocated for each of the project is utilized for the projects as per the plans.
- (d) The objective of the project / program is achieved as per the plans.
- (e) Wherever projects / programs are undertaken by the Company shall be distinguishable and necessary supporting documents in respect of the same shall be obtained from the other partners / implementing agency on an annual basis.

AVTNPL shall provided necessary resources and human capital for implementation and the effective monitoring of the CSR projects and programs as may be directed by the CSR Committee. The services of any external agencies or person who have experience in the same or similar projects or programs undertaken or proposed to be undertaken by the AVTNPL may also be made available for successful implementation on monitoring of the project.

## **SURPLUS ARISING OUT OF CSR**

The surplus arising out of the CSR activities, projects or programs shall not form part of the business profit of the AVTNPL.

## **AMENDMENT OF POLICY**

The CSR policy of the AVTNPL may be amended at any time by the Board of the AVTNPL on the recommendation of the CSR Committee.

## **LOCATION OF CSR EFFORTS**

The CSR Committee will decide on the locations for CSR activities.

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## **REPORTING**

On approval of the CSR policy or any amendment thereof, the contents of the policy shall be included in the Boards report and the same shall be displayed on the web site of the AVTNPL.

At the end of the each financial year, the CSR committee shall prepare a report of the CSR program in the prescribed form relating to the financial year and submit of the Board for its inclusion in the Board's report.

## **EFFECTIVE DATE**

The CSR policy of the AVTNPL is effective from April 01, 2014.

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