

AVANTI FEEDS LIMITED¹
POLICY ON CORPORATE SOCIAL RESPONSIBILITY

¹ Modified on 12.11.2021

1. Introduction

The Board of Directors (the “Board”) of **Avanti Feeds Limited** (the “Company”) has adopted the following policy and procedures with regard to Corporate Social Responsibility. The Board may review and amend this policy from time to time subject to the recommendations of Corporate Social Responsibility Committee.

2. Policy Objective & Philosophy

It is pertinent that business enterprises are economic organs of society and draw on societal resources; we at the company believe that a company's performance must be measured by its Triple Bottom Line contribution to building economic, social and environmental capital towards enhancing societal sustainability. Avanti Feeds Limited believes that in the strategic context of business, enterprises possess, beyond mere financial resources, the transformational capacity to create game-changing development models by unleashing their power of entrepreneurial vitality, innovation and creativity. In line with this belief, the Company will continue crafting unique models to generate livelihoods and create a better society. Such Corporate Social Responsibility (“CSR”) projects are far more replicable, scalable and sustainable, with a significant multiplier impact on sustainable livelihood creation and working for a cause of humanity.

3. DEFINITION AND INTERPRETATION

- a. **“Act”** shall mean Companies Act, 2013 and includes any amendments thereof.
- b. **“Administrative overheads”** means the expenses incurred by the company for ‘general management and administration’ of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;
- c. **“Board”** means the Board of Directors of the Company.
- d. **“Company”** means Avanti Feeds Limited.
- e. **“CSR Activities”** means such programs and projects as may be approved by the Board in terms of this CSR Policy.
- f. **“CSR Committee”** means a Committee constituted by the Board of Directors in terms of Section 135 of the Act and CSR Rules.
- g. **“CSR Rules”** means the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

- h. “CSR Expenditure”** means the amount recommended by the CSR Committee to be incurred on the CSR Activities in India in terms of the Act and the CSR Rules as approved by the Board from time to time
- i. “Ongoing Project”** means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification;
- j. “Policy”** means this policy on Corporate Social Responsibility.
- k. “Trust”** means a trust registered under the Indian Trusts Act, 1882 or any other applicable law in India.

All Capitalized terms used in this Policy but not defined herein shall have the meaning assigned to such term in the Act and CSR Rules or any other applicable regulation as amended from time to time.

4. CSR COMMITTEE

1. The composition of the CSR Committee shall consist of minimum of 3 (three) Directors of the Company. The number of Members of the CSR Committee, their powers and functions can be specified, varied, altered or modified from time to time by the Board subject to the provisions of the applicable laws.
2. Without prejudice to the generality of the foregoing, the CSR Committee shall be responsible for the following activities:
 - a. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as per the provisions of applicable laws.
 - b. Recommend the amount of expenditure to be incurred on the activities referred to in above clause.
 - c. Monitor the CSR Policy of the Company from time to time.
 - d. Appoint an independent agency/firm to carry out impact assessment study, if any

- e. Formulate and recommend to the Board an annual action plan in pursuance of the CSR policy
- f. Provide guidance on various CSR initiatives undertaken by the company and monitor implementation and adherence to the CSR programs and policy of the company from time to time;

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

- 3. The CSR Committee shall hold meetings which shall be attended by minimum quorum as may be specified in the Act and the Rules.

5. CSR EXPENDITURE

- a. The CSR Committee shall recommend the amount of CSR Expenditure to be incurred in a year, in accordance with the Act and the Rules. For this purpose, the Board shall ensure a designated officer to provide the relevant financial data and such other necessary details to the CSR Committee to enable the Committee to recommend to amount of CSR Expenditure to the Board.
- b. The Board shall be responsible for sanctioning the CSR Expenditure and taking steps to ensure that the amount for the CSR Expenditure is available to the Implementation Group for application towards the CSR Activities.
- c. It will be the Company's endeavour to spend in every financial year, two percent of its average net profits (or such other limit as may be prescribed under the Act) during the three immediately preceding financial years or such other periodicity as may be notified, on CSR programmes in pursuance of this Policy, as per approved Annual CSR Action Plan.
- d. If the CSR expenditure in a financial year exceeds the statutory limit, such excess may be set-off against CSR expenditure for the next three financial years or such other periodicity as may be notified, with the approval of the Board, on the recommendation of the CSR Committee.
- e. Any amount remaining unspent at the end of the financial year, if any, except in case of an ongoing project, shall be transferred to a Fund specified in Schedule VII for this purpose, within a period of six months of the expiry of the relevant financial year (or such other period as may be prescribed under the Act and the rules made thereunder).

- f. In case the Company undertakes any ongoing project, any amount remaining unspent and earmarked for the ongoing project, shall be transferred within a period of thirty days from the end of the financial year to a special account to be opened by the Company for that financial year in any scheduled bank to be called as 'Unspent Corporate Social Responsibility Account', and such amount shall be spent within a period of three financial years from the date of such transfer, failing which, the unspent amount shall be transferred to the Fund as specified in Schedule VII for this purpose, within a period of thirty days from the date of completion of the third financial year (or such other period as may be specified in the Act and rules made thereunder).
- g. The Board shall ensure that the administrative overheads shall not exceed 5% of total CSR expenditure of the Company for the financial year or such other amounts as may be specified by applicable laws and rules as amended from time to time.
- h. The surplus arising out of the CSR activities, projects or programmes will not form part of the business profits of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual CSR action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- i. In order to count towards CSR Expenditure, CSR Activities must be undertaken in compliance with the applicable laws and shall not include the following:
 - a. Activities undertaken in pursuance of normal course of business of the company.
 - b. Activities undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level.
 - c. Contribution of any amount directly or indirectly to any political party under Section 182 of the Act.
 - d. Activities benefitting employees of the company as defined in clause (k) of Section 2 of the Code on Wages, 2019 (29 of 2019).
 - e. Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services; and
 - f. Activities carried out for fulfilment of any other statutory obligations under any law in force in India.

6. IMPLEMENTATION OF THE CSR POLICY

The Board shall be responsible for implementing the mandate of the CSR Policy and shall

ensure that the CSR Activities are carried out in accordance with the CSR Policy read with the Act and CSR Rules.

- a. The Company shall undertake and implement CSR activities either directly or through a registered public trust, registered society or a section 8 company under the Companies Act, 2013, (NGOs), institutions and /or such other agencies ('implementing agencies') as may be specified in Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time
- b. The implementing agencies, who intend to undertake any CSR activity, shall register themselves with the Central Government and obtain a unique CSR Registration Number, wherever applicable
- c. The Company may also engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy or also collaborate with other companies for undertaking projects or programmes or CSR activities in accordance with the provisions of the Act and the rules made thereunder
- d. The CSR activities to be undertaken by the Company under the Policy shall be approved by way of Annual CSR Action Plan ('CSR Plan') by the Board on the recommendation of the CSR Committee.
- e. The Annual Action Plan in pursuance of the CSR policy which shall inter alia include the following:
 - (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
 - (c) the modalities of utilisation 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.

7. CSR ACTIVITIES

1. The Board shall ensure that the CSR Activities that are undertaken by the Company should be within the scope of the following activities:
 - a) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health and sanitation including contribution to the Swatch 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 centres 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.
 - 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 Defence 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 purpose of this item, the item 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under law for the time being in force.

l) Disaster management including relief, rehabilitation and reconstruction activities; and

m) Any other project as may be specified under Schedule VII of the Act, from time to time.

2. The CSR Activities will be carried out in a manner that the preference is to undertake the CSR Activities in and around the local areas where the Company operates.
3. The Board shall ensure that appropriate designated staff or personnel provide adequate assistance (viz. data collection, survey, quotations and costs involved etc.) to the CSR Committee to enable it to make necessary recommendations to the Board. For this purpose, the CSR Committee may also approach external consultants for necessary assistance as it may deem fit at such costs as may be approved by the Board.
4. In case any of the CSR Activities to be undertaken are anticipated to be long term, then a detailed estimate on implementation schedule or milestones should be submitted by the CSR Committee to the Board.

8. MONITORING OF CSR ACTIVITIES

1. The CSR activities will be effectively and objectively monitored using appropriate monitoring tools that may include one or more of the third-party audit(s) or certification(s), impact assessment(s), self-assessment report(s), field visit(s), periodical review(s) or any other appropriate mechanism.
2. The Board shall satisfy itself that the funds disbursed for CSR Activities have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer of the Company or the person responsible for financial management shall certify to the effect.
3. The Board of the Company shall review the status of implementation and fund utilization of the various projects and programmes as per approved CSR Plan at least once in a year.
4. Based on the recommendation of the CSR Committee, the Board may update, alter, modify or amend the CSR plan at any time during the financial year.

9. DISCLOSURES

- a. Annual report on CSR Activities shall be included in the Board's Report forming part of Company's Annual Report.
- b. The composition of the CSR Committee, and CSR Policy and Projects approved by the Board shall be displayed on the website of the Company.

10. AMENDMENT

The Board of the Company may, subject to compliance with applicable law, at any time alter, amend or modify the CSR Policy as it deems fit to comply with the statutory obligation of the Company to undertake the CSR Activities.

This policy on CSR is adopted by the Board of directors at their meeting held on November 12, 2021.
