



**A.V. THOMAS AND COMPANY LIMITED**  
**CORPORATE SOCIAL RESPONSIBILITY POLICY**

**I. PREAMBLE:**

A.V. Thomas and Company Limited (AVT) was incorporated on 21<sup>st</sup> January 1935. The Company commenced its business on 10<sup>th</sup> May 1935. The major business segments operated by the Company are Consumer Products Division engaged in the consumer marketing of tea and coffee, Trading Division, Dairy Division and Logistics.

The Company undertakes the Corporate Social responsibility as a genuine expression of goodwill and gratitude towards society and is keen to make significant contributions towards development of social infrastructure, economic, environmental and social upliftment of communities in and around the areas of its operation in the major thrust areas such as community development, promoting education, creating awareness for conservation of energy, environment sustainability, healthcare etc. through its service, conduct, business practice and social initiatives.

**II. OBJECTIVE:**

The Corporate Social Responsibility Policy of AVT (hereinafter referred to as “the Policy” or “CSR Policy”) is being framed to align the Company’s corporate social responsibility activities in accordance with the requirement under Section - 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The objective of the CSR Policy is to contribute positively towards sustainable and inclusive growth of the society with focus on India's most pressing development challenges as highlighted under schedule - VII of the Companies Act, 2013 and as amended from time to time. The Policy shall apply to all the CSR projects, programmes or activities (herein after referred to as CSR Activities) undertaken by the Company.

**CSR ACTIVITIES:**

The Company will carry out CSR Activities in consonance with the provisions of the Section 135 read with Schedule VII to the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, as amended from time to time. Schedule VII to the Act is attached as **Annexure A**.



This Policy will apply to CSR Activities approved by the Board of Directors, from time to time, and taken up for implementation preferably in and around the areas of its operation including other business establishments and surrounding areas thereto located within the territorial limits of India.

AVT is committed to implement CSR Activities as prescribed under Schedule VII of the Act, for socio economic upliftment of all the stakeholders, on sustainable basis.

## APPROACH AND GUIDING PRINCIPLES

The Company's CSR Activities shall revolve around the following guiding principles:

The principles for selection and implementation of CSR Activities shall be to ensure sustainable and inclusive growth of the society preferably in the areas of operation and areas around it. The CSR Activities should be selected in a way that it contributes positively towards sustainable and inclusive growth of the society with focus on India's most pressing development challenges as highlighted under schedule - VII of the Companies Act, 2013 and as amended from time to time.

The Company will give preference, while spending the amount earmarked for CSR Activities, to the areas of operation and areas around it for societal benefit and promotion of social cause for the benefits of the community at large.

## IMPLEMENTATION:

The Company will take up its CSR Activities through eligible entity as defined under the CSR Rule 4(1), as amended, reproduced hereunder - Rule (Eligible Entities- Rule 4(1):) of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

The Board shall ensure that the CSR Activities are undertaken by the company itself or through-

- (a) A company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 established by the company, either singly or along with any other company, or
- (b) A company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
- (c) Any entity established under an Act of Parliament or a State legislature; or
- (d) A company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.



The Company has constituted a CSR Committee of its Directors. The proposals of CSR Activities recommended by the CSR Committee will be placed before the Board of Directors for its approval.

**RESOURCES:**

**Budget:**

The Company will allocate statutorily permissible at least 2% of average net profits of the company made during the three immediately preceding financial years and this would be the minimum overall Annual budget for CSR Activities.

**Utilization:**

- any unspent/unutilized CSR allocation of a particular year;
- any surplus arising out of CSR Activities shall not form part of the business profits of the Company; and
- any amount spent in excess of statutory requirement, shall be dealt with as per the applicable provisions of the Act / Rules.

**MONITORING, EVALUATION AND REPORTING:**

To ensure effective implementation of the CSR Activities within specified budgets and timeframes as approved by the Board, a monitoring mechanism will be put in place by CSR Committee. The progress of CSR Programmes under implementation and status of the work done shall be reported to the CSR Committee.

The CSR Committee will review periodically and keep the Board apprised of the status of the progress of implementation of the approved CSR Activities.



RESPONSIBILITY:

**Board of Directors:**

- To consider and approve CSR Policy, with or without modifications, as recommended by CSR Committee and ensure that the same is placed on the Website of the Company.
- To disclose the contents of CSR Policy in the Board's Report.
- To ensure that the Company spends 2% of average Net Profits of preceding three FYs on CSR Activities prescribed in the Schedule VII to the Act.
- To report CSR Activities in the Board's Report and disclose reasons for Unspent amount, if any, as against the prescribed minimum 2% CSR spend during FY.
- In case of On-going Activities / Projects, to monitor its implementation with reference to approved time lines and year wise allocation with modifications, as may be deemed fit.

CSR Committee:

- To formulate and recommend CSR Policy to the Board of Directors.
- To ensure spending of CSR amount on approved Activities and put up progress of Activities to the Board of Directors.
- To implement the CSR Policy and monitor progress of Activities on half yearly basis in the CSR Committee Meeting.
- To formulate and recommend to the Board, Annual Action Plan / Budget as per the provisions of the Companies Act, 2013 and Rule 5 (2) of the CSR Rules as amended from time to time as well as the CSR Policy, including the followings:
  - List of approved CSR Activities.
  - Manner of execution of CSR Activities in line with the specified Rules.
  - Modalities of utilization of funds and implementation of schedules of CSR Activities.
  - Monitoring and reporting mechanism for the Activities; and
  - Details of need and impact assessment, if any, for the Activities under taken by the Company.

Provided that the Board of Directors may alter such plan at any time during the FY, as may be recommended by CSR Committee based on reasonable justification to that effect.

The Board of Directors of the Company shall approve the CSR Activities upon recommendation of the CSR committee from time to time through meetings/circular resolutions.



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**CHANGE IN LAW:**

The Company shall be entitled to all the privileges, exemptions, relaxations, if any, as may be conferred by the Central Government / Ministry of Corporate Affairs or any other authority from time to time by way of amendment to provisions of Companies Act 2013, Rules, circular or otherwise. Such exemption / relaxation shall override the restrictive provision if any contained in this policy.

In case of any contradiction between the provision of law applicable to the Company from time to time and this Policy, then such provision shall override the relevant clause or part of the clause of this Policy without requiring any specific alteration to this Policy.

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**ANNEXURE A**

**SCHEDULE VII**

(Section 135 of the Companies Act, 2013.)

Activities which may be included by companies in their Corporate Social Responsibility Policies  
Activities relating to:—

- (i) Eradicating hunger, poverty and malnutrition, “promoting healthcare including 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 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 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, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- (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 Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES 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 Organization (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.  
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.
- (xii) disaster management, including relief, rehabilitation and reconstruction activities.
- (xiii) creating health infrastructure for COVID care, establishment of medical oxygen generation and storage plants, manufacturing and supply of Oxygen concentrators, ventilators, cylinders and other medical equipment for countering COVID-19 or similar such activities as are eligible CSR Activities under item nos. (i) and (xii) of Schedule VII of the Companies Act, 2013 relating to promotion of health care, including preventive health care, and, disaster management respectively.

Any other activities which may be included by Ministry of Corporate Affairs (MCA by way of any amendment to Schedule – VII or otherwise included by way of clarification, order or circulars by MCA).