



**ARMOURED VEHICLES NIGAM LIMITED**  
**CORPORATE SOCIAL RESPONSIBILITY POLICY**



## Preamble:

Corporate Social Responsibility (“the CSR Policy”) in Armoured Vehicles Nigam Limited (“the Company”) is a continuing commitment to operate ethically and contribute to harmonious and sustainable development of society and planet through business, while improving the quality of life of the community and the society. CSR is, therefore, the organization’s commitment to operate in an economically, socially and environmentally sustainable manner, while recognizing the interest of its stakeholders and other activities as covered under Section 135 of the Companies Act, 2013, the Companies (Corporate Social Responsibility) Rules, 2014 and Schedule VII of the Companies Act, 2013 (including any amendments or enactments thereof from time to time).

## CSR Vision

The CSR Policy sets out our commitment to ensuring that our activities extend beyond business and include initiatives and endeavours for the benefit and development of the community and society. The CSR Policy lays down the guidelines for undertaking programmes geared towards social welfare activities or initiatives.

## CSR Mission

To sincerely & effectively discharge company’s responsibility in the identified CSR thrust areas and other areas listed out in the Companies Act, 2013.

## CSR Activities:

1. The Company may take the following CSR activities:-

- (i) Eradicating hunger, poverty and malnutrition, promoting health care 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 specially 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, agro forestry, 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 arts and handicrafts:
- (vi) Measures for the benefit of armed forces veterans, war widows and their dependents;
- (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 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;
- (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 Defence 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.
- (xii) Disaster Management, including relief, rehabilitation and reconstruction activities.

2. The CSR activities (either new or ongoing) shall be undertaken by the Company in accordance with this policy and shall exclude activities undertaken in pursuance of its normal course of business.



3. Subject to the provisions of section 135(5) of the Act, the CSR projects or programs or activities undertaken in India only shall qualify for CSR expenditure.

4. The CSR programs or projects or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities in accordance with the Act.

#### CSR Outlay:

The Company shall endeavour to spend, in every financial year at least 2% of the average net profits of the Company made during the three (3) immediately preceding financial years in pursuance of this Policy and in accordance with the Section 135 of the Companies Act, 2013, the Companies (Corporate Social Responsibility) Rules, 2014. The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR Policy.

Any unspent CSR amount or excess spent CSR amount shall be dealt with as provided in sub section (5) & (6) of section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility) Rules, 2014 and Schedule VII of the Companies Act, 2013, as amended from time to time.

The Company may use the CSR capacities of their own personnel in executing the CSR activities and also effectively monitoring the same but such CSR expenditure shall not exceed 5% of total CSR expenditure of the company in one financial year.

#### Identification of activities/projects:

The CSR Committee may 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 prioritize the CSR activities.

#### 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. 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 requirement for the CSR activities and recommend to the Board for the approval. The Board shall approve the total funds to be utilized for CSR activities 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 do 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:

The Board shall ensure that the CSR activities are undertaken by the company itself or through 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 (43 of 1961), established by the company, either singly or along with any other company, or 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 any entity established under an Act of Parliament or a State legislature; or 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.

Every entity who intends to undertake any CSR activity, shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar, with effect from the 1<sup>st</sup> day of April 2021:

A company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR. A company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with CSR rules.

The Board of a company shall satisfy itself that the funds so disbursed have been utilised 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.

In case of ongoing project, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

### Reserve for Emergency Needs

5% of annual CSR Budget will be kept as reserve for immediate relief in case of emergency needs like disaster, calamity, etc. If the same remains unutilized, it may be used in the last



quarter of the financial year for other activities mentioned in Schedule VII of the Companies (CSR Policy) Rules, 2014, as amended from time to time.

### Renewal/ Extension of ongoing CSR Projects

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.

### Impact Assessment

If average CSR obligation is Rs. 10 crores or more in three immediately preceding financial years, Impact Assessment shall be undertaken through an independent agency, of the CSR projects having an outlays (total expenditure) of rupees one crore or more; i.e. Mega Projects and which have been completed not less than one year before undertaking the Impact Assessment. The expenditure on impact assessments shall be booked towards CSR for that financial year, which shall not exceed 5% of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less. Impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

### Organizational Responsibility & Monitoring Mechanism:

At organizational level for implementation of agreed CSR activity, the committee may constitute an implementation team or authorise any Department of the Company to organize the implementation of the CSR activity, monitor the progress of various projects, utilization of funds and timeliness of implementation. The team or respective department shall monitor the implementation process from time to time, on behalf of the CSR committee and place a report to the Committee regarding the progress of the activity implementation, on a regular basis. The respective department or implementation team would be responsible for reporting of any irregularity to the Committee on immediate basis.

### Compliance and Reporting to Board

The Committee is responsible to undertake CSR activities as per the approved CSR Policy. Apart from regular reporting to the Board about the implementation of CSR activities, a report containing the implementation schedule, total budget allocated, actual expenses incurred, surplus arising, if any, results achieved, further work to be done in the concerned CSR activity, annual action plan etc. should be placed before the Board for its consideration.



## 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.

## Conclusion

CSR Policy is subject to revision/amendment in accordance with the guidelines as may be issued by the Government, from time to time. The Board may review the policy from time to time based on changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary.

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