



CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

aarvee engineering consultants limited



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1. CONTEXT

- 1.1. This Corporate Social Responsibility Policy (“the CSR Policy”) has been framed by **M/s. AARVEE ENGINEERING CONSULTANTS LIMITED** (“the Company”) in accordance with the Section 135, Schedule VII of the Companies Act, 2013 read with Companies (CSR) Rules, 2014, as amended from time to time by the Ministry of Corporate Affairs (MCA21).
- 1.2. The Policy shall apply to all the CSR programs and activities undertaken by **AARVEE ENGINEERING CONSULTANTS LIMITED** at various locations for the benefit of diverse sectors of the society.

2. COMPANY PHILOSOPHY FOR CSR POLICY

- 2.1. Our Company is very positive and appreciate the decision taken by the Government of India towards CSR. Legal framework of CSR is an edge to Corporate Charitable/reformative approach towards the Society to which the Corporate is belonging to. By introducing the separate section for CSR in Companies Act, 2013, the Government has given legal recognition to their community development approach.
- 2.2. Since it commenced its operations in India, our Company has placed great importance on acting as a responsible corporate citizen in the communities where it operates. Our Company has conceptualized programs in areas of education, employability, sports, community welfare, healthcare and environment, addressing the needs of the community.
- 2.3. The management of AARVEE expresses its willingness and support to the CSR concept, its legal framework and shall be abided to it.

3. DEFINITIONS

- 3.1. “**Act**” means the Companies Act, 2013.
- 3.2. “**Board of Directors**” or “**Board**” shall mean the collective body of the Directors of the Company as constituted from time to time.
- 3.3. “**Committee**” means a Committee of Directors of the Company, as constituted from time to time under Section 135 of the Companies Act, 2013 and read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

3.4. **“Company”** means Aarvee Engineering Consultants Limited (“AECL”).

4. **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**



The Company has constituted Corporate Social Responsibility Committee (“the Committee”) as per Section 135(1) read with Rule 5 of CO’s (Corporate Social Responsibility Policy) Rules, 2014 of Companies Act, 2013 (as amended from time to time) comprising of following three Directors:

1. Dr. Visweswara Rao Kandula - Chairman
2. Mr. Venkatachala Chakrapani Redla - Member
3. Mr. Venkateshwar Reddy Banda - Member
4. Mr. M Kishore Kumar - Member

Provided that, if CSR Contribution is less then Rs. 50,00,000/- (Rupees fifty Lacs), The Board of Directors may discharge functions as per CSR Policy of the company.

Responsibility of the CSR Committee:

- Formulate and recommend the Annual Action Plan in pursuance of its CSR Policy to the Board for approval.
- The manner of execution of such projects or programs.
- The modalities of utilization of funds.
- Monitor the Policy from time to time and recommend changes to the Board.
- Recommend the amount of expenditure to be incurred on CSR projects.
- Constitute a transparent monitoring mechanism for ensuring effective and efficient implementation of the CSR projects.
- Details of need and impact assessment, if any, for the projects undertaken by the company.

Board of Directors of the Company constitute the Committee, as and when required to do so, by following the sections, sub-sections, rules, regulations, notifications issued or to be issued, from time to time, by the Ministry of Corporate Affairs or the Central Government of India. The Committee shall exercise powers and perform

the functions assigned to it by the Board of Directors of the Company pursuant to section 135 of the Companies Act, 2013 and CSR Rules notified with regard there.

5. COMPLIANCE AND REPORTING TO BOARD

The Committee is responsible to undertake CSR activities as per the approved CSR Policy and Annual Action Plan. A detailed report containing the implementation schedule, total budget allocated, actual expenses incurred, surplus arising, if any, result achieved, further work to do in the concern CSR activity, recommendation for the CSR activities for next year etc. should be placed before the Board for its consideration.

6. CSR ACTIVITIES

Pursuant to Schedule VII of the Companies Act, 2013, the Committee has approved the following activities as “CSR Activities” to be undertaken under the CSR policy of the Company. The Board of Directors has reviewed the said activities and express its consent to the Committee to pursue the said activities under CSR policy of the Company under section 135 of the Companies Act, 2014, Schedule VII and other applicable rules, regulations, notifications etc., issued/to be issued from time to time.

CSR Activities:

In accordance with the requirements under the Companies Act, 2013 provided under schedule VII of Co’s Act, 2013, as amended from time to time.

- 6.1. **HUNGER, POVERTY, MALNUTRITION AND HEALTH:** Eradicating extreme hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water and includes spending on CSR Funds for COVID-19.
- 6.2. **EDUCATION:** Promoting education, including special education and employment-enhancing vocational skills especially among children, women, elderly and the differently abled, and livelihood enhancement projects; monetary contributions to academic institutions for establishing endowment funds, chairs, laboratories, etc., with the objective of assisting students in their studies.

- 6.3. **RURAL DEVELOPMENT PROJECTS:** Strengthening rural areas by improving accessibility, housing, drinking water, sanitation, power and livelihoods, thereby creating sustainable villages.
- 6.4. **GENDER EQUALITY AND EMPOWERMENT OF WOMEN:** Promoting gender equality and empowering women; setting up homes, hostels and day care centers for women and orphans; setting up old age homes and such other facilities for senior citizens; and adopting measures for reducing inequalities faced by socially and economically backward groups.
- 6.5. **ENVIRONMENTAL SUSTAINABILITY:** Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining the quality of soil, air and water.
- 6.6. **NATIONAL HERITAGE, ART AND CULTURE:** Protecting national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promoting and developing traditional arts and handicrafts.

Note: The Activities covered above can be interpreted liberally to capture their real essence. All activities under the CSR activities are environment friendly and socially acceptable to the local people and Society.

7. 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 immediately 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 for the CSR activities and recommend to the Board for the approval. The Board shall approve the total fund to be utilized for CSR activity for respective Financial year.

8. IDENTIFICATION OF ACTIVITIES/PROJECTS

Out of approved CSR activities, the Committee shall 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 Organization operates or at the place where its registered office is situated. The Committee shall record its findings and prioritize the CSR activities.

9. IMPLEMENTATION PROCESS

After prioritization of the activity, the Committee shall finalize the detailed implementation project/programme, including planning for expenses against the total budget allocated for CSR activities.

- 9.1. CSR program will be undertaken by our company in areas selected for interventions. Our Company will choose to undertake need assessments as and when, it deems necessary.
- 9.2. Our Company will encourage employees for volunteering in community service.
- 9.3. The time period/duration over which a program will be spread, will depend on its nature, extent of coverage and the intended impact of the program.
- 9.4. Our Company may enter into partnerships with the Government, business partners and communities to create multiplier effect on its social and environment projects.
- 9.5. The mode of implementation of CSR programs will include a combination of direct implementation and partners such as Government schools and college, training institutes, NGOs, business partners, registered societies etc. Our Company will select its activity partners after appropriate due diligence.
- 9.6. Our Company may also implement the CSR programs through registered trust/foundation/society/company set up by our company or its holding or subsidiary or associate company under section 8 of the Companies Act, 2013 or through other registered trust/society/company having an established track record of three years in undertaking the projects or programs proposed to undertaken by our company.
- 9.7. Our Company may use the services of internal teams, expert agencies, consultancy firms etc., wherever required, for carrying out base line surveys, guidance on project design and implementation, due diligence of implementation partners, impact assessment surveys etc.

10. ORGANIZATIONAL RESPONSIBILITY

At organizational level for implementation of agreed CSR activity, the committee may constitute an implementation team or authorize any of the Department of the Company to organize the implementation of the CSR activity.

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 quarterly basis. The respective department or implementation team would be responsible for reporting of any irregularity noticed, to the Committee on immediate basis.

Our Company will establish an accounting system to ensure proper accounting of CSR spends.

Reporting Framework/Disclosure Clause

- ❖ The CSR Team will monitor progress of CSR projects and CSR spend and report to the CSR Committee at regular intervals.
- ❖ Our Company will report CSR performance in its Annual Report as per the structure and format prescribed in the notified CSR Rules.

11. MONITORING BY THE BOARD

The Board of Directors of AARVEE will be responsible for:

- 11.1. the approval of the CSR Policy and Annual Action Plan;
- 11.2. disclosing the content of the Policy in its report and ensuring its placement on AARVEE website in such a manner as prescribed Section 135 of the Companies Act 2013 read with the CSR Rules;
- 11.3. ensuring that the social projects included in the Policy are undertaken by AARVEE.
- 11.4. that AARVEE spends, in every financial year, at least 2 percent of the average net profits made during the three immediately preceding financial years;
- 11.5. ensuring that AARVEE gives preference to the local areas around its operations for spending the amount earmarked for CSR projects;



- 11.6. ensuring that it specifies the reasons in its report for not spending the earmarked amount in case it is unable to spend such amount;
- 11.7. surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company;
- 11.8. ensure that administrative overheads shall not exceed 5% of total CSR expenditure of the Company for the financial year.

12. CONTACT

For Queries related to the CSR Policy, please write to us at csr@aarvee.net

13. POLICY REVIEW

The Board of Directors shall review and amend the policy on a “need basis”, from time to time, subject to the recommendations of CSR Committee.

14. DISCLOSURE

The Company shall disclose this Policy on its website at www.aarvee.net and a web link thereto shall be provided in the Annual Report.

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