

AVENUE SUPERMARTS LIMITED

Corporate Social Responsibility (CSR) Policy

(As amended on 10th July, 2021)

I. Introduction

India has been one of the fastest growing economies in the world. However, socio-economic problems such as poverty, illiteracy, malnutrition, inadequate healthcare etc. still continue to impact a large section of our society. The government has traditionally been the largest contributor in bridging the social divide. There is now an increased need to accelerate further support to the economically and socially disadvantaged.

Corporates over the years have evolved as an important stakeholder in the society. They have the necessary resources (financial, technical know-how, subject matter expertise and access to technology) to give back to society and enable broad-based economic and social progress. Their meaningful interventions can help accelerate and supplement efforts of the Government.

Therefore, this Corporate Social Responsibility Policy (CSR Policy) sets out the framework to guide the Company's CSR activities and help the society at large.

II. Objective

The objective of the CSR activities of the Company is to foster better quality of life for local communities and promote a socially inclusive society where equal opportunities are made available to all. The Company would like to make meaningful impact to the lives of beneficiaries through structured interventions that contribute to their economic and social progress.

III. Scope

Section 135 of the Companies Act, 2013 ("the Act") and Rules made thereunder stipulate that the CSR Projects chosen by a company must fall within the purview of Schedule VII of the Act, as amended from time to time. This Policy has been formulated and adopted pursuant to these rules. All the CSR activities of the Company shall operate within this legal framework.

IV. Focus Areas of the CSR Activities of the Company

In accordance with the requirements under Section 135 of the Companies Act, 2013 and CSR rules made thereunder, the CSR Activities of the Company will focus on:

Education: The Company will work to improve the quality of education by implementing holistic 'School Excellence Program' through pedagogical and infrastructure interventions. This programme intends to provide an appropriate platform to the children which can lead to better outcomes for them in the long term.

Nutrition: Our initiative will focus on supporting programmes that aim to provide access to adequate nutrition to ensure the physical & mental well-being of our school children. This, we believe will contribute to enhancing their enrollment, retention and attendance at schools.

Healthcare: We aim to support primary health care programmes and enhance the existing healthcare infrastructure within our communities.

Employability: With a focus on providing livelihood and self-reliance to our communities, we intend to up-skill youth in these communities through vocational training to bring them in the economic mainstream.

Sports Promotion: Sports inculcate extremely important life lessons such as teamwork, self-confidence, responsibility and accountability enabling a child's holistic development. Our focus in this area is to improve infrastructure and integrate structured sports programmes as a part of school curriculum. We further aim to support sports programmes that help established athletes better train and prepare for prestigious national and international competitions.

The company may also choose to support causes other than those mentioned above; keeping in line with the activities mentioned in Schedule VII of the Companies Act, 2013 and CSR rules made thereunder.

V. Governance

- i. The governance of all CSR Activities of the Company is driven by the CSR Committee. The CSR Committee reports to the Board of Directors of the Company.
- ii. The CSR Committee shall consist of 3 (three) or more directors of the Company.
- iii. The composition of the CSR Committee is available on the website of the Company.

VI. Responsibilities of the Committee

The CSR Committee shall carry out the following activities and functions:

- (i) To formulate CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act 2013 & CSR rules made thereunder and recommend same to the Board;

- (ii) To recommend the amount of expenditure to be incurred on CSR activities;
- (iii) To formulate and recommend to the Board of Directors of the Company, an annual action plan in pursuance of the CSR policy and any modification(s) as may be required;
- (iv) To implement and monitor the CSR activities of the Company, which shall be in compliance with CSR objectives and Policy of the Company;
- (v) To provide a report on CSR activities to the Board of the Company periodically;
- (vi) To undertake impact assessment, if required through an independent agency as per the requirements of Companies Act, 2013 and CSR rules made thereunder;
- (vii) To monitor and review the CSR Policy of the Company from time to time; and
- (viii) To ensure the compliance of Section 135 read with Schedule VII of Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 and subsequent amendments thereto.
- (ix) Any other matter as may be entrusted to the CSR Committee by the Board from time to time.

VII. Responsibilities of the Board

The roles and responsibilities of the Board shall include:

- (i) Approve and adopt the CSR Policy and the annual action plan, upon review of the recommendations made by the CSR Committee.
- (ii) Review the recommendations made by the CSR Committee in respect of annual budget for CSR.
- (iii) Ensure that the Company spends in every financial year, amounts as prescribed by Section 135 under the Companies Act 2013 and the Rules made thereunder.
- (iv) Ensure that the CSR activities are undertaken and executed by the Company as per the Policy, the Act and other applicable laws, including ensuring compliance with Rule 4 of the Rules.

VIII. Annual action plan:

The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of this policy. The Annual action plans shall include the following:

- (i) the list of approved CSR projects or programmes;
- (ii) the manner of execution of such projects or programmes;
- (iii) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- (iv) monitoring and reporting mechanism for the projects or programmes; and
- (v) details of need and impact assessment, if any, for the projects undertaken by the company.

IX. CSR Expenditure

The Board shall ensure that the Company spends the following amounts for CSR activities in pursuance of this Policy, and complies with the following conditions as set out under the Act and the Rules:

- (i) In every financial year, the company shall contribute to CSR activities including any capital assets if required, in accordance with the provisions of Section 135 of the Act and the rules framed there under from time to time.
- (ii) The Administrative Overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.
- (iii) Surplus, if any arising out of the CSR activity will not be part of the business profits of the Company and shall not form part of the business profit of the Company and shall be ploughed back into the same project.
- (iv) If the Company overspends / underspends its CSR spends against the regulatory requirement then the same will be dealt with as per the guidelines of the Companies Act 2013 and CSR rules made thereunder as amended from time to time.
- (v) The CSR Committee will approve the expenditure on CSR activities within monetary limits sanctioned by the Board for such activities.

- (vi) In the event the Company undertakes impact assessment, it may book the expenditure incurred on such impact assessment towards CSR for that financial year as per the provisions of the Companies Act 2013 and rules made thereunder as amended from time to time.

X. Selection and Implementation of CSR Projects

- (i) The CSR activities shall be undertaken after considering various aspects such as feasibility, time span, and budget as may be earmarked by the CSR Committee to a specific project/ activity (ies) yearly.
- (ii) CSR Department shall ensure that project/ programme is consistent with list of activities specified in Schedule VII.
- (iii) CSR activities may be initiated / implemented/ executed by the Company directly; or through an implementing agency. The Implementing Agency should meet the statutory eligibility criteria laid down under the Companies Act, 2013.
- (iv) The Company may also collaborate with other companies for undertaking CSR projects or programs or activities in such a manner that the CSR committees of the respective companies are in a position to report separately on such projects or programs in accordance with the Act and the Rules.
- (v) The Company may engage International Organizations for designing, monitoring and evaluation of the CSR projects or programs as per its CSR policy as well as for capacity building of their own personnel for CSR.
- (vi) CSR Committee shall have full discretion to specify or modify the modalities of execution of CSR projects or programs and to determine implementation schedules.

XI. CSR Monitoring

It will be the responsibility of the CSR Committee to monitor periodically the implementation of the projects / programs / activities under this Policy and to ensure compliance of the provisions related to CSR mentioned in the Act and the Rules from time to time. The progress of CSR initiatives and activities will be reported by the CSR Committee to the Board on a regular basis.

XII. CSR reporting

- (i) The Board's report pertaining to any financial year shall include an annual report on CSR containing particulars specified in the Rules, as applicable.
- (ii) If any of the CSR activities statutorily requires an impact assessment report then the same shall be placed before the Board and shall be annexed to the annual report on CSR.

XIII. Amendments

Any modification/amendment in the Policy may be carried out by the Board on the recommendation of the CSR Committee of the Company. The Policy will be subject to change as per the Act, the Rules, other applicable laws, rules, regulations, and government guidelines.