

CORPORATE SOCIAL RESPONSIBILITY POLICY OF AVON CYCLES LIMITED

(Approved by the Board of Directors in their meeting held on 09.06.2021)

1. INTRODUCTION

The Company's CSR initiatives are inspired by the opportunity to contribute towards sustainable future and its nourishment. The Company's Corporate Strategy ensures inculcating social developments as an integral part of its business enterprise and to contribute to make substantial improvements in the social framework of the nearby community.

2. CSR ACTIVITIES

The CSR initiatives of the Company are identified in consultation with the management, social experts, community and other stakeholders. The implementation strategy is planned in a way so as to give sustainable and scalable solutions.

The identified focus areas for the Company are:

i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and 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;

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 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;

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) Contribution to recognised universities and research houses of all shades of sciences and technologies, in the country.

x) Rural development projects;

xi) Slum area development. (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) Such other activities as may be recognized by the Committee/Board or as may be required/ permissible under prevailing law(s)."

3. CSR EXPENDITURE

The Company shall spend in every financial year, at least two percent of the average net profits of the Company made during the three immediately preceding financial years on CSR projects in accordance with the policy. Surplus, if any, arising out of the CSR projects, programmes or activities shall not form a part of the business profits of the Company and will be ploughed back into the CSR activities.

4. IMPLEMENTATION PROCESS

The Company may undertake CSR activities in any one or more of the following manners:

a) The Company may carry on CSR activities directly by having its own personnel;

b) In collaboration with other companies, provided that the Company shall report separately on its share of projects, programs and activities;

c) Through various Implementing Agencies, registered with MCA; and

d) Through a registered trust or a registered society or a company established by the Company or its holding or subsidiary or associate company under section 8 of the Companies Act, 2013 and registered with MCA.

e) In case of any registered trust or a registered society or a company not established by the Company, it must have registered with MCA and must have 3 year's track record of implementing similar projects.

5. MONITORING MECHANISM

The implementation of the CSR policy and execution of projects, programmes and activities undertaken by the Company shall be carried out under the overall superintendence, control and guidance of the CSR Committee. The CSR Committee shall closely monitor such activities and may also further constitute internal monitoring groups and/or sub-committees for different projects, programmes and activities, as may be required from time to time. The person responsible for financial management of the Company shall give utilisation certificate of disbursement of funds made for CSR.

The minutes of the meetings of the CSR Committee shall be placed before the Board of Directors for their information. The Board of Directors shall have the power to make amendments, suggest new measures and/or otherwise amend the powers of the CSR Committee from time to time.

The contents of the CSR policy as amended from time to time shall be disclosed in the Board's Report and shall also be placed on the Company's website.