

**CSR POLICY
OF VARVEE GLOBAL LIMITED**

CSR POLICY

I. APPLICABILITY:

1. **Varvee Global Limited (formerly known as Aarvee Denims and Exports Limited)** is committed to conducting its business in a responsible and sustainable manner, contributing to the well-being of society and the environment. This CSR Policy outlines our approach to giving back to the community and making a positive impact.

2. This CSR Policy has been framed in accordance with the applicable provisions of the Companies Act, 2013 (“Act”) and the rules issued thereunder.

3. Notwithstanding anything to the contrary contained in this CSR Policy but subject to applicable law, in the event that the Company fails to meet the thresholds set out under Section 135(1) of the Act for immediately preceding financial year, it shall not be required to:

(i) Constitute/maintain the CSR Committee; and

(ii) Comply with the provisions of this CSR Policy till such time as it again meets the criteria specified in Section 135(1) of the Act.

II. OBJECTIVES:

The objective of Corporate Social Responsibility (CSR) is

- To promote education and healthcare
- To support environmental sustainability
- To enhance livelihoods and community development
- To respond to natural disasters and emergencies

III. DEFINITION AND INTERPRETATION:

1. “Administrative overheads” means the expenses incurred by the company for ‘general management and administration’ of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;

2. “Board” means the Board of Directors of the Company.

3. “Company” means **Varvee Global Limited (formerly known as Aarvee Denims and Exports Limited) Limited**.

4. “Corporate Social Responsibility” (CSR) means the activities undertaken by the Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in the CSR Rules, but shall not include the following, namely:

(i) activities undertaken in pursuance of normal course of business of the Company.

(ii) any activity undertaken by the Company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level.

(iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act.

(iv) activities benefitting employees of the Company as defined in clause (k) of Section 2 of the Code on Wages, 2019 (29 of 2019).

(v) activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services.

(vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India.

5. "CSR Activities" means such programs and projects as may be approved by the Board in terms of this CSR Policy.

6. "CSR Committee" means a committee constituted by the Board of Directors in terms of Section 135 of the Act and the CSR Rules.

7. "CSR Rules" means the Companies (Corporate Social Responsibility Policy) Rules, 2014.

8. "CSR Expenditure" means the amount recommended by the CSR Committee to be incurred on the CSR Activities in India in terms of the Act and the CSR Rules as approved by the Board from time to time.

9. "Director" means a member of the Board of the Company.

10. "CSR Policy" means Corporate Social Responsibility Policy of **Varvee Global Limited (formerly known as Aarvee Denims and Exports Limited)**

11. "International Organisation" means an organisation notified by the Central Government as an international organisation under section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), to which the provisions of the Schedule to the said Act apply;

12. "net profit" means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:-

(i) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and

(ii) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act

13. "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;

14. "Society" means a society registered under the Societies Registration Act, 1860 or any other applicable law in India.

15. "Trust" means a trust registered under the Indian Trusts Act, 1882 or any other applicable law in India.

16. "Public Authority" means 'Public Authority' as defined in clause (h) of section 2 of the Right to Information Act, 2005 (22 of 2005)

Any term not defined above, shall have the meaning assigned to it under the Act or the CSR Rules.

III. FOCUS AREAS-

1. The focus areas of CSR activities that may undertaken by the company are following:

(i) Eradicating hunger, poverty and malnutrition, promoting health care including 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, woman, 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 back ward 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;

(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 windows and their dependents;

(vii) Training to promote rural sports, nationally recognized 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 social-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

(ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;

(x) Rural development projects;

(xi) Such other activities as may be specified under the Act or the CSR Rules from time to time.

2. The CSR Activities will be carried out in a manner that the preference is to undertake the CSR Activities in and around the local areas where the Company operates.

3. Based on the scope of activities set out in paragraph III (1) above, the CSR Committee shall provide recommendations to the Board with respect to specific CSR Activities that may be undertaken by the Company.

IV. CSR COMMITTEE:

1). Composition: The CSR Committee shall comprise three or more directors of which, at least one will be an independent director.

2). Responsibility: The CSR Committee of the Company shall be responsible for:

(a) Formulating and recommending the CSR Policy to the Board and monitoring its implementation and reporting mechanism from time to time.

(b) Recommending to the Board, the CSR expenditure to be incurred.

(c) formulate and recommend to the Board for its approval and/or alteration, an Annual Action Plan in pursuance of this CSR policy;

(d). holding meetings which shall be attended by minimum of two members of the Committee. The meetings shall be held either physically at the registered office or at any other place as may be agreed by the members of the Committee or through Video conferencing (VC)/other audio visual modes (OAVM).

V. CSR EXPENDITURE:

1. The amount to be spent by the Company shall be as stipulated under the Companies Act, 2013, as amended from time to time and approved by the Board [Presently, it is 2% of Average Net Profit Before Tax for last 3 preceding financial years, calculated in accordance with Section 198 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014].

2. The unspent CSR amount, if any, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account.

3. Such amount shall be spent by the as per CSR Policy within a period of three financial years. If the Company fails to transfer such amount it shall be transferred to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

4. The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by -

- (a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or
- (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- (c) a public authority.

5. Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

VI. RESPONSILIBILITIES OF BOARD OF DIRECTORS:

The Board of the Company shall:

- a). approve the Corporate Social Responsibility Policy for the Company after taking into account the recommendations made by the Corporate Social Responsibility Committee.
- b). disclose contents of such Policy and composition of the CSR Committee in its report and also place it on the company's website,
- c). ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company.
- (d). 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.
- e). In case of failure to ensure the minimum CSR Expenditure, detailed reasons for the same are adequately disclosed in the Board Report.
- f). ensure necessary registration with the Central Government by filing the form CSR-1 electronically with the Registrar,
- e). ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.
- f). pass a resolution for setting off the CSR amount spent in excess of requirement provided under sub-section (5) of section 135, against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years.
- g). make disclosures in the Board's Report as required under Rule 8 of the CSR Rules.
- h). undertake impact assessment as required under Rule 8 of the CSR Rules and take note of the impact assessment reports which are mandatorily required to be placed before it.

VII. IMPLEMENTATION OF THE CSR POLICY:

1. The Board shall be responsible for implementing the mandate of the CSR Policy and shall ensure that the CSR Activities are carried out in accordance with the CSR Policy read with the Act and CSR Rules.

2. Mode of Implementation: The CSR Activities may be undertaken by the Company :

- (i) Through a Trust, or a Society or a company established by the Company or its holding or subsidiary or associate company under Section 8 of the Act or otherwise; and/ or
- (ii) Through a Trust, or a Society or a company established under section 8 of the Act with a established track record of three years in undertaking similar programs or projects; and/ or
- (iii). In collaboration with other companies or NGOs s in such a manner that the CSR Committees of respective companies (wherever Committees are been constituted as per the provisions of the Act read with CSR Rules) are in a position to report separately on such projects or programmes in accordance with the CSR Rules.
- (iv) In collaboration with any Industry Body coordinating such activities
- (v) Direct contribution / implementation of any project approved by CSR committee/Board
- (vi). Contribution to PM Relief Fund or any other fund as may be notified by Govt

(vii). Voluntary work undertaken by its employees and logged on to Global Volunteer Month web site or monitored in any other way by the company.

3. 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.

4. 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 these rules.

VIII. CSR ANNUAL ACTION PLAN:

1. The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR Policy, which shall include the following, namely:-

(a) the list of CSR projects or programmes that are approved to be undertaken;

(b) the manner of execution of such projects or programmes;

(c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;

(d) monitoring and reporting mechanism for the projects or programmes; and

(e) details of need and impact assessment, if any, for the projects undertaken by the company:

2. The Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

IX. MONITORING AND EVALUATION:

1. The CSR Committee shall monitor the progress of CSR initiatives

2. The Committee shall evaluate the impact of CSR initiatives and provide feedback

3. 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.

X. TRANSPARENCY AND REPORTING:

1. The Company shall disclose its CSR initiatives and outcomes in its Annual Report alongwith the impact assessment reports, if any, shall be placed before the Board and shall be annexed to the annual report on CSR.
2. The Company shall maintain transparency in its CSR activities and reporting.
3. The CSR Committee shall maintain proper minutes of all its meetings.
4. In case of failure to ensure the minimum CSR Expenditure, detailed reasons for the same are adequately disclosed in the Board Report.

XI. AMENDMENTS:

This policy has been adopted by the Board of Directors on 12th November,2025 and shall be effective immediately.

This Policy may be amended by the Board of Directors at any time alter, as it deems fit to comply with the statutory obligation of the Company to undertake the CSR Activities.