

ACKNIT INDUSTRIES LIMITED

POLICY FOR CORPORATE SOCIAL RESPONSIBILITY

[Pursuant to Section 135 read with Schedule VII of the Companies Act, 2013]

Acknit Industries Limited [hereinafter referred to as “The Company”] affirm their Corporate Social Responsibility [CSR] as a part of their business activities. This policy for Corporate Social Responsibility [hereinafter referred to as “the Policy”] acts as a guideline to promote social and environmental responsibility in the workplace. The Company is committed to ensuring that its employees are treated with respect and dignity and that its operations are environmentally responsible.

In compliance with Section 135 of the Companies Act, 2013, the CSR Committee at its meeting held on 08th August, 2019 approved and recommended CSR Policy to the Board of Directors and the latter approved the same at its meeting held on 14th November, 2019.

The said policy may be amended with the relevant changes in the law from time to time.

Corporate Social Responsibility Purpose Statement

The Company has constituted a Committee to undertake CSR activities within the purview of the guidelines as provided by the Ministry of Corporate Affairs. The Company will undertake programme based on the identified needs of the community and any other activity as specified therein as its CSR Projects which inter-alia provides the following:

- (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 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 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 art and handicrafts;

- (vi) Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- (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 govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- (ix) Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Biotechnology (DBT), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) 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.

Scope

This policy will apply to all projects/programmes undertaken as part the Company's Corporate Social Responsibility and will be developed, reviewed and updated periodically with reference to relevant changes in the law of the land.

The policy will maintain compliance and alignment with the activities listed in Schedule VII and Section 135 of the Companies Act, 2013 and the Rules framed there under.

Governance

The approval of the CSR policy and oversight is the responsibility of the Company's Board of Directors. The responsibility of the CSR Committee is to formulate the policy and to administer the policy through implementing partner(s) or via self-implementation. The CSR Committee shall provide guidelines for projects/partner selection to the Company, wherever applicable. The CSR Committee is to ensure that projects/programmes are compliant with regulations and are monitored and reported effectively.

As the Company's CSR activities evolve, the policy may be revised by the CSR Committee and approved by the Board of Directors.

Meetings of CSR Committee

The CSR Committee may meet from time to time to discuss and implement the CSR activities/projects to be undertaken.

CSR Spend

The CSR Committee shall recommend the amount of expenditure to be incurred on the CSR activities to be undertaken by the Company as specified in Schedule VII of the Companies Act 2013, as amended from time to time and the same shall be placed before the Board for approval.

In case of any surplus arising out of CSR projects, the same shall be used in development of the CSR projects and shall not form part of business profits of the Company.

Implementation

The Company shall undertake CSR project/programmes identified by the CSR Committee and approved by the Board of Directors in line with the CSR Policy.

The Company may implement its CSR programmes/projects through:

- (a) a company established under section 8 of the Act or a registered trust or a registered society, established by the company, either singly or alongwith any other company, or
- (b) 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.

The Company can also implement programme in collaboration with other company(ies), if permissible and feasible and in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs.

The Company shall formulate criteria and procedure for selection, screening and due diligence of its implementing partners.

Monitoring and Reporting

The CSR Committee will oversee the implementation and monitoring of all CSR projects/programmes and periodic reports shall be provided for review to the Board.

The Company will institute a well-defined, transparent monitoring and review mechanism to ensure that each CSR project/programme has:

1. Clear objectives developed out of the societal needs that may be determined through need assessment studies and research (secondary or primary);
2. Clear targets, time lines and measureable indicators, wherever possible;
3. A progress monitoring and reporting framework that is aligned with the requirements of Section 135 of the Companies Act, 2013 and the CSR Rules.

The Committee will continue to reassess and update this Policy to keep abreast of the many changes within the industry.

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