

ASHNOOR TEXTILE MILLS LIMITED
CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR POLICY)

1. Title and applicability

- The document describes the Corporate Social Responsibility Policy (“CSR policy”) of Ashnoor Textile Mills Limited (“the company”). It includes the Company’s vision, mission and other relevant attributes of Corporate Social Responsibility, its corporate philosophy of respect for the individual and the society at large.
- The Company has formulated CSR Policy in accordance with Section 135 of the Companies Act 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 as amended from time to time and the relevant amendments/notifications/ circulars and this policy shall apply to all CSR programs of the Company.

2. Vision Statement and Objectives

The Company is committed to build a sustainable business with strong social relevance and a commitment to inclusive growth and contribute to the society by supporting causes on various concerns directly or through any agency. Objects include promoting education, rural development activities, healthcare, environmental sustainability, promoting sports etc.

3. Responsibility of the Board of Directors

The responsibility of the Board of Directors shall be as under:

- To approve the CSR Policy and disclose the contents of such policy in its report. Ensure that the activities proposed in the CSR Policy are undertaken;
- Ensure that the company spends, in every financial year, at least 2% of average net profits of the company made during the 3 immediately preceding financial years, as required under Section 135 of the Companies Act, 2013 & Rules made thereunder;
- If company fails to spend the sum as mentioned above, then the Board shall, in its Report specify the reasons for not spending the amount.

4. CSR Committee

The Company has constituted a Corporate Social Responsibility Committee (“the CSR Committee”) comprised of its entire three Directors to oversee the CSR activities. The said committee was formed as per the requirements of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Board of Directors has power to take decision for making or effecting changes in the constitution of the CSR Committee. The composition of CSR Committee shall be disclosed in the Board of Directors’ Report and Annual Corporate Governance Report.

5. Responsibilities of the CSR Committee

- To formulate and recommend to the Board of Directors, a CSR Policy indicating the activities to be undertaken as specified in Schedule VII of the Companies Act, 2013 and modify/amend the same as required;
- To review and approve annual budgets with respect to CSR programs;
- To develop and institutionalize a CSR reporting mechanism in light with Section 135, Rule 8 of the Companies Act 2013;

- To ensure that the Company's corporate website, if any, displays the approved CSR policy of the company;
- To monitor the CSR Policy, Projects and Programs from time to time.

6. Meetings of CSR Committee

The CSR Committee shall meet at least once in every year. The meeting shall be held either at the registered or corporate office of the company or any other place, as may be decided by the members.

Presence of a minimum of two members of the committee shall constitute the quorum.

7. Notice of Meeting

At least seven days advance notice of every meeting, specifying the day, place, timing of Meeting and the general nature of the business to be transacted there at shall be given to the members. In urgency, a meeting may be convened by shorter notice.

8. Areas of CSR Activities

The Company is committed to direct its CSR resources, to a reasonable extent, for improving the quality of life of the people by focusing on the social causes, including but not limited to the following areas:

- Eradicating hunger, poverty and malnutrition, “promoting health care including preventive health care” and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.
- promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- 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.
- 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 including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- 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;
- 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;
- training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports
- 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;

- 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) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organization (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).]
- rural development projects]
 - slum area development (For the purposes of this item, 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).
 - disaster management, including relief, rehabilitation and reconstruction activities.

Following activities will not from the CSR expenditure of Company:

- Activities which are exclusively for the benefit of employees of the company or their family members;
- Activities undertaken in pursuance of normal course of business of the Company;
- Direct or indirect contribution to political parties;
- Expenditure on item/s not in conformity with Schedule VII of the Companies Act 2013;
- Surplus arising out of CSR projects shall not form part of the business profits of Company instead the same will be further used for CSR purposes only.

9. Area of Operations and beneficiaries

The Company will give preference to the local areas around its operations for spending the amount earmarked for CSR activities. The Company's operations will mainly be concentrated in the following areas:

- State of Haryana
- National Capital Territory of Delhi
- Such area as may be recommended by the CSR Committee from time to time

10. Implementation mechanism

The company may conduct / implement CSR programs by itself and/or through registered trusts, societies, Institutions, foundations, section 8 (previously section 25) companies with an established track record of at least three years in carrying on activities in the related area/s or as suggested by Ministry of Corporate Affairs vide circulars/notifications from time to time.

The progress will be reviewed in the CSR Committee during the committee meetings and the Board of Directors in its meetings. The detail of CSR programs undertaken by the Company will be reported in the Annual Report in the format prescribed under the

Companies (Corporate Social Responsibilities) Rules 2014 as be amended from time to time.

11. Monitoring of CSR programs

The Managing Director, being the members of CSR Committee, will responsible for day to day management of CSR related activities of the company. He will periodically report to the CSR committee regarding the progress of CSR activities taken or/and to be taken.

All projects undertaken by the Company will be monitored on a regular basis. On-site monitoring would also be undertaken at least once a year to ensure on-track implementation.

12. Effective Date

The CSR Policy will be effective from the date of its approval by the Board of Directors.

13. Amendments to the CSR Policy

CSR Policy may be updated to align it with the changing requirement or changes in the legal and regulatory framework. Any revision in the Policy shall be approved by the Board of Directors.

For Ashnoor Textile Mills Limited

Sd-

Anil Aggarwal

Non-Executive Independent Director and Chairman of CSR Committee

DIN: 00224118

Sd-

Suneel Gupta

Managing Director and Member of CSR Committee

DIN: 00052084

Sd-

Sangeeta Gupta

Whole Time Director and Member of CSR Committee

DIN: 00052121

Sd-

Sanjay Arora

Non-Executive Independent Director and member of CSR Committee

DIN: 07815311

Date of Approval by the Board: February 7, 2022

Place: Gurugram