

CSR Policy
of
TCNS Clothing Company
Limited

Background

Corporate Social Responsibility is strongly connected with the principles of Sustainability; an organization should make decisions based not only on financial factors, but also on the social and environmental consequences. It is recognized that integrating social, environmental and ethical responsibilities into the governance of businesses ensures their long term success, competitiveness and sustainability.

The Government as well as regulators have framed various guidelines pertaining to responsibilities of business as well as the mandatory Corporate Social Responsibility provisions under the Companies Act, 2013 and Rules made thereunder (“Act”).

This approach also reaffirms the view that businesses are an integral part of society, and have a critical and active role to play in the sustenance and improvement of healthy ecosystems, in fostering social inclusiveness and equity, and in upholding the essentials of ethical practices and good governance.

This policy, encompasses the company’s philosophy for giving back to society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for the welfare & sustainable development of the community at large.

This policy shall apply to all CSR initiatives and activities taken up not only at the various work-centres and locations of the Company but also in any other parts of the country, for the benefit of the society.

The CSR Committee constituted as per Section 135 of the Act formulated this Policy on Corporate Social Responsibility (CSR Policy) and recommended the same to the Board of Directors of the Company ('Board') for its approval.

Purpose

- To lay down guidelines to make CSR a key business process for sustainable development of the society. Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting.
- To directly/indirectly undertake projects/programs which will enhance the quality of life and economic well-being of the communities in and around our facilities across country and society at large.
- Establishing a guideline for compliance with the provisions of Regulations to dedicate a percentage of Company's profits for social projects

- To generate goodwill and recognition among all stake holders of the company.

Words and expressions used in this CSR Policy and not defined herein but defined in the Act shall have the meaning respectively assigned to them in the Act.

Policy / CSR Activities

The Policy recognises that Corporate Social Responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas as notified under Section 135 read with Schedule VII of the Companies Act 2013 and the Companies (Corporate Social Responsibility Policy) Rules 2014:

- 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;
- 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, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund setup 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 arts and handicrafts;
- measures for the benefit of armed forces veterans, war widows and their dependents;
- training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- contribution to the Prime Minister's National Relief 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;
- contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
- rural development projects
- slum area development

- Any other Projects / activities the Government may add from time to time to the Schedule VII of the Companies Act, 2013 or allow through clarifications/ Circulars.
- Any ancillary or incidental activities required to be performed to undertake any of the projects mentioned above.

CSR activities shall be undertaken as projects, programs of activities (either new or ongoing) excluding activities undertaken in pursuance of the normal course of business of the Company.

Annual spends / Allocation of Funds

The Company would spend not less than 2% of the average Net Profits of the Company made during the three immediately preceding financial years. The surplus arising out of the CSR activity will not be part of business profits of the Company. The Corpus would thus include the 2% of average net profits, as aforesaid, any income arising there from and surplus arising out of CSR activities.

The Company may build CSR capacities of its personnel and/or those of its implementing agencies through Institutions with established track records of at least three financial years but such expenditure shall not exceed five percent of total CSR expenditure of the Company in one financial year.

However if the Company ceases to be covered under sub-section (1) of Section 135 of the Act for three financial years, then it shall not be required to, comply with the provisions laid down under sub-section (2) to (5) of the said section, till such time it meets the criteria specified in sub-section (1) of the Act.

CSR Committee

Guiding Principles for Constitution of CSR Committee:

The CSR Committee will consist of at least three directors.

The Committee will meet at least once in a year to discuss and review CSR activities and Policy. A quorum of two members is required to be present for the proceedings to take place. Such other meetings of the Committee can be convened as and when deemed appropriate. The Committee members may attend the meeting physically or via such audio visual means as permitted under the Act. The Committee shall have the authority to call such employee(s), senior official(s) and or externals, as it deems fit.

Scope of Functions of CSR Committee:

- The CSR activities enumerated above shall form part of scope of functions of the CSR Committee.
- To publicize the CSR Policy and initiatives organisation-wide.
- Such other activities as directed by the Board of Directors of the Company and/or as deemed appropriate and expedient by the Committee for the furtherance of CSR objectives of the Company, in pursuance with the Regulations.

Transparent Monitoring Mechanism

- The CSR Committee shall prepare a transparent monitoring mechanism for ensuring implementation of the projects / programmes /activities proposed to be undertaken by the Company.
- The CSR Committee shall have the authority to obtain professional advice from external sources and have full access to information contained in the records of the Company as well as the powers to call any employee or external consultant or such other person(s) and for such purpose as may be deemed expedient for the purpose of accomplishments of overall CSR objectives laid down under the Act.

Planning and Implementation

For the purpose of focusing its CSR efforts in a continued and effective manner, ***promoting education among children*** is identified as the main thrust area, besides other activities permitted under the Act.

Projects / Partners

CSR Committee in consultation with the Board of Directors of the Company will identify suitable projects for implementation in line with the objects of the Company and requirements laid down under the Act. These projects would be executed either directly by the Company and/or through CSR Partner(s)/ CSR Implementation Agency(ies) as permitted under the Rule 4(2) and Rule 4(3) of the Companies (Corporate Social Responsibility) Rules, 2014 as amended from time to time.

Review and Reporting

The CSR Committee will review the philanthropic activities of the Company and will provide progress update to the Board of Directors every six months/such other intervals as deemed fit.

The Company will report, in the prescribed format as per the Companies Act, 2013 and the rules made thereunder, the details of CSR initiatives and activities of the Company in the Directors' Report. Such reporting will be done, pertaining to financial year(s) commencing on or after the 1st day of April 2014.

Monitoring

- Appropriate documentation and amendments of the CSR Policy, annual CSR activities, reports on execution by CSR Partner(s)/ CSR Implementation Agency(ies) and expenditures will be undertaken on a regular basis and same will be available to the Board of Directors of the Company.
- Initiatives undertaken on the CSR front will be reported in the Annual Report of the Company.
- The CSR Committee and persons /entities authorised by it, will conduct due diligence checks on the current projects/partners on a quarterly basis and report anomalies, if any, immediately.
- Based on analysis of projects, the CSR Committee will carry out roadmap planning for allocation of budget and selection of projects. The same will be done at least once in a financial year.

CSR Committee may plan and publish an annual calendar of major events so as strive for maximum participation of stakeholders.

Amendments to the Policy

The Board of Directors on its own and/or as per the recommendations of CSR Committee can amend this Policy, as and when required as deemed fit. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the Act on the subject as may be issued from relevant statutory authorities, from time to time.

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