

KARNIKA INDUSTRIES LIMITED

POLICY ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

PREAMBLE

Corporate Social Responsibility (CSR) is crucial to understand as how we fulfil our role as a good corporate citizen of the country and contribute to the social and economic development of the communities in which we operate and to build a better & sustainable way to enrich the quality of life for the people of the society.

At Karnika Industries Limited ("the Company"), we intent to make a positive difference to society and evolved our approach to social responsibility beyond our already strong employee engagement, environmental stewardship and community involvement practices to precisely address our role as good corporate citizen.

REGULATORY REFERENCE

A) Section 135 of the Companies Act, 2013 ("the Act");

B) Companies (Corporate Social Responsibility Policy) Rules, 2014 ("the Rules").

SCOPE AND APPROACH

Iris is committed to the well-being of the local communities and the society at large. The scope and approach of the CSR Policy of the Company is defined by the following considerations:

(i) Iris acknowledges that there are or can be expected and unintended outcomes and impact of its core business which is to manufacture readymade garments.

(ii) While the overall outcome of its work is a positive contribution to the economy and society at large, some of the impact could be negative in the short term.

(iii) Given the nature of its work the strongest impact of its activities is primarily on the environment and communities in the immediate vicinity of working activities.

CSR COMMITTEE

As per requirement of Section 135 of Companies Act, 2013 and rules related thereto, the Board of Directors of the company has constituted the "Corporate Social Responsibility Committee" comprising of following Directors:

- Mr. Mahesh Kumar Mundhra (Independent Director): Chairman
- Mr. Shashikant Soni (Independent Director): Member
- Mrs. Kirti Taparia (Independent Director): Member
- Mrs. Kirti Mundhra (Director): Member

The Company Secretary acts as the secretary of the Committee.

The Board of Directors may change the composition of Committee as it may deem fit.

IDENTIFICATION OF PROJECTS FOR THE CSR POLICY

The CSR Activities shall include the following:

- a) To carry out philanthropic activities for the welfare of society.
- b) To support the infrastructure for welfare of differently abled persons like handicapped, deaf, dumb and blind and old persons etc.
- c) To support the medical infrastructure and health initiative camps covering lifestyle diseases, ENT, maternity issues, woman reproductive health issues for under-privileged or any other class or category of persons, as the trust may deem fit, for welfare of the society.
- d) To work in the area of eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh set up by Central Government for the promotion of sanitation and making available safe drinking water.
- e) To work in the area of promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.
- f) To work in the area of 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.
- g) To work in the area of 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.
- h) To work in the area of 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.
- i) To work in the area of measures for the benefit of armed forces veterans, war widows and their dependents.
- j) To work in the area of training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports.
- k) To 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.
- l) To make contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- m) To work in the area of rural development projects.
- n) To work in the area of slum area development.

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To undertake any other activities in furtherance of the aforesaid objectives, as the CSR Committee may deem fit.

The above CSR activities do not include the activities undertaken in pursuance of normal course of business of the Company.

IMPLEMENTATION PROCESS

To pursue the aforesaid CSR Programmes primarily in areas that fall within the economic vicinity of the Company's operations to enable close supervision and ensure maximum development impact, the Company would adhere to the guidance and directions of the CSR Committee.

The CSR Committee if desired may form a registered Trust for implementation of the CSR projects and programmes and this Trust can receive the funds from the Company for utilization of the same on such projects and programmes and for monitoring and reporting mechanism.

CSR BUDGET AND UTILIZATION

CSR Committee will recommend the annual budgeted expenditure for each project to its consideration and approval and shall be utilized on approved projects in accordance with CSR policy.

REPORTING

A Report on the CSR activities shall be provided by the CSR Committee annually to the Board of Directors of the Company preferably within 3 months from the conclusion of the financial year along with the reasons if any for allocated amount that remained un-utilized.

AMENDMENTS TO THE POLICY

The Board of Directors may amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision /amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.