MADHUR KNIT CRAFTS LIMITED

Corporate Social Responsibility Policy

Quality • Welfare • Sustainable Development • Corporate Compliance



CORPORATE SOCIAL RESPONSIBILITY POLICY

1. Preamble

In line with its fundamental and consistent commitment to ***quality, welfare, sustainable development and corporate compliance, Madhur Knit Crafts Limited*** ("MKCL" or "Company") now pledges, through this Corporate Social Responsibility ("CSR") Policy Document, to integrate the same commitment into its responsibilities as a Corporate Entity.

Through its CSR initiatives, the company seeks to respond to the needs of less-privileged communities, in a sensitive and impactful manner and enable these communities to achieve a better quality of life. **'Community focus and Quality'** will be the fundamental, non-negotiable values woven into CSR programs at MKCL.

This ensures that ***community focus*** is the central priority at all times and that all programs will result in achieving a better ***quality of life***. Quality will be visible in all aspects including implementation.

The key purpose of this policy is to:

- Define what CSR means to the company and the approach adopted to achieve the vision, mission and objectives.
- Outline guiding principles and elucidate the company's position which will provide a clear direction for strategizing and planning CSR.
- Serve as a guiding document to help in strategizing, planning, executing and monitoring CSR projects.
- Identify broad thematic areas in which the company will undertake projects.
- Explain roles and responsibilities, governance mechanisms and budget allocations for effective implementation of CSR.

Your Board has adopted the Corporate Social Responsibility Policy in accordance with Section 135 of the Companies Act, 2013 (Act) and the rules promulgated thereunder read with Schedule VII of the Act (collectively, the "CSR Requirements").

2. Vision – Mission – Objectives



3. CSR – what it means to us at MKCL

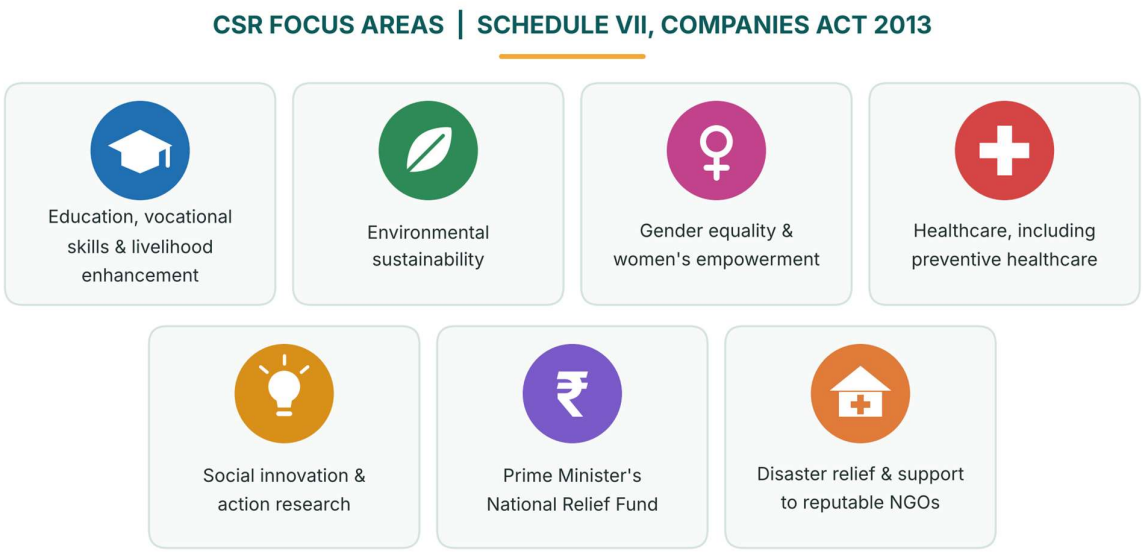
Corporate Social Responsibility (CSR) is a public spirited cause that has been well introduced by the Companies Act 2013. Through the CSR there is a formation of a dynamic relationship between a company on one hand and the society and environment on the other. CSR is traditionally driven by a moral obligation and philanthropic spirit which resonates with the policy of the Company.



4. FOCUS AREAS

The CSR Policy of MKCL will be operative within the overall ambit of CSR Provisions contained in the Companies Act 2013, Companies (Corporate Social Responsibility Policy) Rules 2014, Schedule VII of the Companies Act 2013, and amendments thereof from time to time.

The Company shall undertake specific CSR projects and programs, as approved by the Board from time to time on the recommendations made by the CSR Committee of the Company, in any of the CSR categories as mentioned in Schedule VII of the Companies Act, 2013 as amended from time to time.



5. APPLICABILITY OF THE POLICY

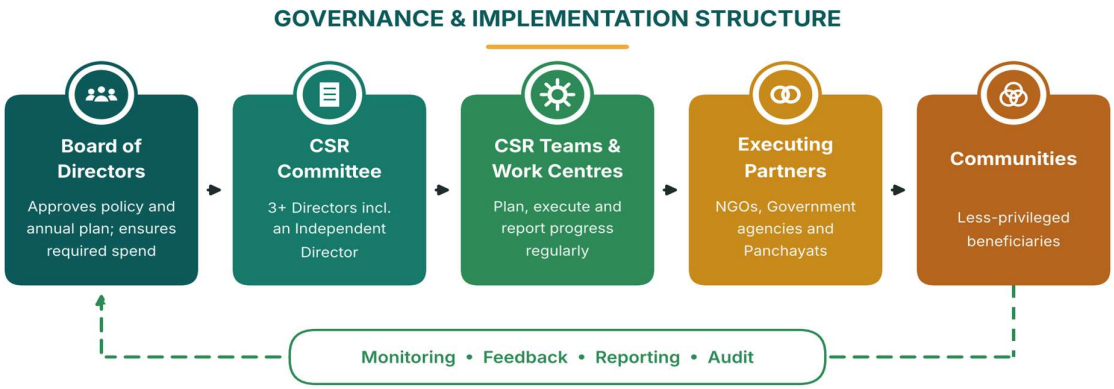
1. The Company's CSR Policy has been developed in conformity with the provisions of Section 135 of the Companies Act, 2013 (referred to as the Act in this Policy) and in accordance with the CSR Rules (hereby referred to as the Rules) notified by the Ministry of Corporate Affairs, Government of India.

2. This Policy shall apply to all CSR initiatives and activities taken up at the various locations in India, preferably in the vicinity where the Company carries out its business operation sand for the benefits of different segments of the society, specifically the deprived and under-privileged.

6. CORPORATE SOCIAL RESPONIBILITY COMMITTEE

The Company has constituted Corporate Social Responsibility Committee ('CSR Committee') as per provisions of the Companies comprising the following composition;

S. No	Name of Members	Designation of Members in CSR Committee	Nature of Directorship
1.	Arun Gupta	Chairman	Managing Director
2.	Gurpreet Kaur	Member	Independent Director
3.	Piyush Gupta	Member	Whole-time Director
4.	Chirag Gupta	Member	Whole-time Director



7. MEETINGS:

The Committee shall hold meeting as and when required, to discuss various issues on implementation of the CSR Policy of the Company.

The Committee shall periodically review the implementation of the CSR Programmes and issue necessary direction from time to time to ensure orderly and efficient execution of the CSR programmes in accordance with this Policy. It would be the responsibility of the CSR Committee to periodically keep the Board apprised of the status of the implementation of CSR activities.

8. ROLE OF CSR COMMITTEE:

a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act,2013 (as amended from time to time).
b) To recommend the amount of expenditure to be incurred on the activities in a financial year.
c) To monitor the Corporate Social Responsibility Policy of the company from time to time.
d) Any other matter /thing as may be considered expedient by the Members of the Committee in furtherance of and to comply with the CSR Policy of the Company

9. RESPONSIBILITIES OF THE BOARD

The Board shall:

- Formal CSR Committee and disclose the composition of the CSR Committee.
- Approve the CSR Policy after taking into account the recommendations made by the CSR Committee.
- Place the CSR Policy on the Company's website.
- Ensure implementation of the activities under CSR
- Ensure expenditure of requisite amount on CSR every year as per law. Disclose reasons for not spending the amount (if applicable) in the Annual Report to the Shareholders of the Company.
- Ensure that the administrative overheads are not more than 5% of the total CSR Expenditure.

- Ensure that the funds so disbursed have been utilized for the purposes and in the manner as approved by Board / CSR Committee and the Chief Financial Officer shall certify to the effect.
- Approve transfer of unspent CSR Amount in accordance with the law. The Accounts and Finance Team of the Company shall prepare the statement of spent and unspent CSR amounts and shall assist and facilitate for transfer of the same.

10. IMPLEMENTATION IDENTIFICATION AND SELECTION OF PROGRAMMES

The programmes would be identified as per the requirement in the community/schools, etc. Professional agencies may be engaged in conducting need based assessment in some programmes, wherever required.

11. PARTNERSHIPS TO IMPLEMENT THE PROGRAMMES

Collaborative Partnerships may be formed with the Government Agencies, the village Panchayats, NGOs and other likeminded stakeholders. This would help widen the Company's reach and leverage upon the collective expertise, wisdom and experience that these partnerships bring to the table.

12. CRITERIA FOR IDENTIFYING EXECUTING PARTNERS

In case of programme execution by NGOs/Voluntary organizations the minimum criteria required to be ensured shall be as per Section 135 of the Act, rules made thereunder, CSR circulars, guidelines, FAQ's and other reference articles as may be provided or issued by Ministry of Corporate Affairs.

13. MONITORING AND EVALUATION MECHANISMS

Monitoring and Evaluation Mechanisms include the following, one or more of which shall be implemented based on the size, quantum and tenure of the CSR programmes:

The Board of Directors of the Company shall also monitor the CSR Programmes / Projects in such manner and on such periodicity as may be required by the Act/ the Rules.

14. GENERAL

- Words and expressions used but not defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, the CSR Rules made thereunder or in any amendment thereto. This Policy shall also be subject to such clarifications and FAQs as may be issued by MCA from time to time.
- In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, any reference should be made to CSR Committee. In all such matters, the interpretation & decision of the CSR Committee shall be final.
- Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guideline so the subject as may be issued from the Government, from time to time.