

GO FASHION (INDIA) LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

As approved by the Board of Directors vide resolution passed on 09th August 2021

Effective Date	14th June, 2017
Amended Date	09th August, 2021

1. **PREFACE**

Go Fashion (India) Limited is committed to improving the lives of the society in which it operates. The Company believes in “looking beyond business” and strives to create a positive impact on the communities it serves and on the environment. The Company is committed not just to profits, but also towards leaving a deeper imprint on the society as a whole. We understand that there is a need to strike a balance between the overall objectives of achieving corporate excellence vis- à-vis the company’s responsibilities towards the community.

2. **OBJECTIVE**

The objective of the policy is to actively contribute to the social, environmental and economic development of the society in which we operate.

3. **DEFINITIONS**

The terms defined in this CSR Policy shall have the meanings herein specified and terms not defined shall have the meanings as defined in the Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014 including any statutory modifications or re-enactments thereof.

- 3.1 “**Act**” means the Companies Act, 2013 including any statutory modification or re-enactment thereof.
- 3.2 “**Average Net Profit**” means profit calculated as per Section 198 of the Companies Act, 2013.
- 3.3 “**Board**” means the Board of Directors of the Company.
- 3.4 “**Board’s Report**” shall mean report of the Board of Directors prepared in accordance with section 134(3) of the Companies Act, 2013.
- 3.5 “**CSR activities**” means the activities or projects or programs as recommended by the CSR Committee and approved by the Board, undertaken by the Company from time to time in any one or more of the areas falling under the Schedule VII to the Companies Act, 2013.
- 3.6 “**CSR Committee**” means the Committee of the Board constituted under section 135 of the Act for the purpose of administration of CSR activities, supervising the adherence of this CSR Policy and the matter incidental thereto.

3.7 “**CSR Policy**” means the Corporate Social Responsibility Policy as set out herein and as amended or modified from time to time.

3.8 “**CSR Rules**” means Companies (Corporate Social Responsibility) Rules, 2014.

4. CSR ACTIVITIES

- (i) The Company shall undertake the activities as recommended by the CSR committee and approved by the Board in accordance with the provisions of Section 135 of the Companies Act, 2013 read with Schedule VII and Companies (CSR Policy) Rules, 2014
 - a. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
 - b. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
 - c. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
 - b. 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;
 - c. 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;
 - d. 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
 - e. Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
 - f. 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;

- g. (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).
- h. Rural development projects.
- i. Slum area development
- j. Disaster management, including relief, rehabilitation and reconstruction activities

Any other activity as specified under the Act, as amended from time to time.

- (ii) The CSR activities (either new or ongoing) shall be undertaken by the Company in accordance with this policy and shall exclude activities undertaken in pursuance of its normal course of business.
- (iii) Subject to the provisions of section 135(5) of the Act, the CSR projects or programs or activities undertaken in India only shall qualify for CSR expenditure.
- (iv) The CSR programs or projects or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities in accordance with the Act.
- (v) Contribution of any amount directly or indirectly to any political party under section 182 of the Act shall not be considered as CSR activity.
- (vi) Companies may build CSR capacities of their own personnel as well as those of their implementing agencies through Institutions with established track records of at least three financial years but such expenditure including expenditure on administrative overheads shall not exceed five percent of total CSR expenditure of the company in one financial year.

Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company.

5. CSR EXPENDITURE

- a. As per the provisions of Companies Act, 2013, the Board shall ensure that the Company spends in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years.
- b. CSR Committee shall recommend the amount of expenditure project wise to be incurred annually to the Board for its consideration and approval.
- c. CSR expenditure shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act.

6. MODALITIES OF EXECUTION AND IMPLEMENTATION

- (i) The Board may decide to undertake its CSR activities approved by the CSR Committee through
 - a. the Company; (or)
 - b. a registered trust or a registered society or a company established by the company or its holding or subsidiary or associate company under section 8 of the Act or otherwise subject to following conditions:
 - ❖ If such trust, society or company is not established by the company or its holding or subsidiary or associate company, it shall have an established track record of three years in undertaking similar programs or projects;
 - ❖ The company has specified the project or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism; (or)
 - c. Collaboration with other companies in such manner that the CSR Committees of respective companies are in a position to report separately on such CSR activities in accordance with CSR Rules.

7. MONITORING THE CSR POLICY

CSR Committee shall monitor periodically the implementation of the projects / programs / activities undertaken by the Company and report to the Board on a regular basis the progress of CSR activities.

8. Excess CSR Contribution

The Company can also allocate a sum higher than the statutory minimum that is required to be spent statutorily in terms of the Act and the Rules as regards the CSR budget. Such excess allocation and spend can be set off against statutory spend obligation of the Company during the next three financial years.

9. Certification of CSR spends

Every CSR spend has to be validated by the CFO / Head of Finance of the Company. The CFO/ Head of Finance shall report by means of a certificate on CSR project wise spends as per the Annual Plan.

The Company can also engage international organisations for designing, monitoring and evaluation of CSR projects.

10. Surplus arising out of CSR

Any surplus arising out of CSR projects or its operations shall not form part of the business profit of the Company and it shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR objectives as per the Annual Plan. If such surplus is not spent then it shall be transferred to a fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

11. Unspent CSR Funds

If in a financial year there remains unspent CSR amount due to non-commencement of the project or for any other operational reason and if the CSR project is such that the implementation of which will be a multi-year project, then the Company has to deposit such unspent amount in a separate account titled Unspent CSR Account before the expiry of 30 days from the date of close of a financial year. The Board of Directors upon recommendation of the CSR Committee is required to certify a CSR project as an ongoing multi-year project and upon such resolution of the Board then the aforesaid deposit of money in a separate account should be made. Such unspent CSR amounts lying in the Unspent CSR Account should be utilized and spent for the multi-year project earmarked for that purpose.

If the Board of Directors upon recommendation of the CSR Committee is of the opinion that there being no identifiable projects for CSR spend or due to such justifiable reason that the Annual Action Plan and the budget set forth could not be implemented, then the amount which are unspent have to be transferred to the specific fund notified by the Government or until then to a fund included in Schedule VII within a period of 6 months of the expiry of the financial year.

12. REPORTING

The Board's report shall include the following particulars:

- ❖ A brief outline of the company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs;
- ❖ The composition of the CSR Committee;
- ❖ Average net profit of the company for last three financial years;
- ❖ Prescribed CSR Expenditure (2% of the amount of the net profit for the last 3 financial years);
- ❖ Details of CSR spent during the financial year;
- ❖ In case the company has failed to spend 2% of the average net profit of the last three financial years, reasons thereof;
- ❖ A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

13. CONCLUSION

- ❖ CSR Policy is subject to revision/amendment in accordance with the guidelines as may be issued by the Government, from time to time.
- ❖ The Board may review the policy from time to time based on changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary.