

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY OF

ANIK INDUSTRIES LIMITED

PREAMBLE

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.

Anik Industries Ltd. has always been committed to the cause of social service and has repeatedly channelized a part of its resources and activities. Such that it positively affects the society socially, ethically and also environmentally. The Company endeavors to make CSR a key business process for sustainable development. Our Company is committed towards aligning with nature, and has adopted eco-friendly practices.

With the advent of the Companies Act, 2013, constitution of a Corporate Social Responsibility Committee of the Board and formulation of Corporate Social Responsibility Policy has become a mandatory requirement.

SCOPE

Schedule VII of the Companies Act, 2013, contains the activities which may be considered as eligible for CSR activities. Anik Industries Ltd. may undertake one or more project/s under any or all of the following areas or such other area that may, under the law for the time being in force, be permissible:-

- i.** Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promoting of sanitation and making available safe drinking water;
- ii.** Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- iii.** 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;
- iv.** 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;
- v.** 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;
- vi.** Measures for the benefit of armed forces veterans, war widows and their dependents;

- vii. Training to promote rural sports, nationally recognized sports, and Olympic sports;
- viii. 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 Schedule Castes, the Schedule Tribes, other backward classes, minorities and women;
- ix. Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);
- x. Rural development projects;
- xi. Slum area development;
Explanation.- 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.
- xii. Disaster management, including relief, rehabilitation and reconstruction activities.

IDENTIFICATION OF CSR PROJECTS

1. CSR Projects need to be identified and planned for approval of the CSR Committee, with estimated expenditure and phase wise implementation schedules.
2. The company shall ensure that in identifying its CSR Projects, preference shall be given to the local area and areas around which the company (including its units) operates. However, this shall not bar the company from pursuing its CSR objects in other areas.
3. The CSR officer may engage external professionals/ firms/ agencies if required for the purpose of identification of CSR projects.

ACTION PLAN

In case of CSR applicability, from the aforementioned programs | projects, annual action plans will be prepared every year, which will include focus areas for the year, the list of projects to be undertaken, manner of execution, modalities of fund utilisation, monitoring and reporting mechanism, and details of need and impact assessment, if any.

IMPLEMENTATION OF CSR PROJECTS

The Company shall implement the identified CSR Projects by the following means:

1. The Company may itself implement the identified CSR projects presently within the scope and ambit of the Policy;
2. The company may also implement the identified projects presently through its Foundation or Trust, if any, which is involved in CSR activities, within the scope and ambit of the Policy.
3. The CSR Officer may engage external professionals/ firms/ agencies if required, for the purpose of implementation of its CSR Projects.

4. The Company may implement the identified CSR Projects through Agencies, subject to the condition that:
 - The activities pursued by the Agency are covered within the scope and ambit of Schedule VII to the Act provided.
 - The agency has an established track record of at least three years in undertaking similar programs or projects.
5. The company may collaborate with other companies, including its subsidiary companies and group companies if required, for fulfilling its CSR objects through the indirect method provided that the CSR Committees of respective companies are in a position to monitor separately such projects.

MONITORING

Monitoring/ supervision of CSR projects will be done on regular basis. CSR Committee of Board of Directors shall review the progress of activities on quarterly basis. This committee will report to the board of the Directors.

FUND ALLOCATION

1. The Company in every Financial Year, shall endeavor to spend such feasible amount as CSR Expenditure, which shall not be restricted by the statutory limit of a specified percentage of its average net profits of the immediately preceding three Financial Years. However, the aforementioned CSR Expenditure in any Financial Year shall be at least 2% of Company's average Net Profits for the three immediately preceding Financial Years.
2. Total expenditure in the CSR Annual Plan shall be approved by the Board upon recommendation by the CSR Committee.
3. In case the Company fails to spend the statutory minimum limit of 2% of company's average net profits of the immediately preceding three years, in any given financial year, the board shall specify the reasons for the same in its report and unspent/ unutilized CSR allocation of a particular year will be carried forward to the next year.

OTHERS

1. The CSR Committee shall ensure that major portion of the CSR expenditure in the Annual Plan shall be for the projects as per CSR objectives. However, there shall not be any preference given to any particular projects for budgetary allocation and it shall be made purely as per the identified CSR projects on need basis.
2. The Managing Director of the company is authorized severally to decide on projects to be implemented within the allocation as per the Annual Plan.
3. Any surplus arising out of the CSR Projects shall not form a part of the business profit of the Company.

DUTIES AND RESPONSIBILITIES

A. Board of Directors

The Board shall include in its Report the annual report on CSR Projects as per the format provided in the Annexure to the Rules.

B. CSR Committee

- I.** The CSR Committee shall monitor the implementation of the CSR policy and CSR Plan.
- II.** In discharge of CSR functions of the company, the CSR Committee shall be directly responsible to the board for any act that may be required to be done by the CSR Committee in furtherance of its statutory obligations, or as required by the Board.
- III.** The CSR Committee shall place before the board the draft annual report as per the format in annexure to the rules in Board Meeting for Board review and finalization.
- IV.** The CSR Committee shall place before the board every year 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 for inclusion in the Board's Report.
- V.** The CSR Committee shall ensure that the CSR Policy and finalized Annual Plan is displayed on the Company's website.

CONCLUSION

- I.** Any or all provisions of the CSR Policy would be subject to revision/ amendment in accordance with the guidelines as may be issued by Government, from time to time.
- II.** CSR Plan may be revised/modified/amended by the CSR Committee at such intervals as it may deem fit.