

ANIL FASHIONS LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

[Pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014]

(Adopted by Board of Directors in its meeting held on **09/09/2026**)



CORPORATE SOCIAL RESPONSIBILITY POLICY

1. BACKGROUND:

Corporate Social Responsibility ("CSR") embodies the various initiatives and programs of Anil Fashions Limited ("Company") in the communities and environment in which we operate. It represents our continuing commitment and actions to contribute towards economic and social development and growth of India.

We have endeavored to conduct our business ethically, responsibly and be mindful of our social accountability and regard to human dignity. We strive to create long term value with all our stakeholders.

2. VISION:

As a responsible corporate citizen, we would continue to make serious endeavour for quality value addition and constructive contribution in building a healthy and better society through our CSR and related initiatives.

3. SHORT TITLE:

In the view of the aforesaid, we have formulated this CSR policy ("**CSR Policy**") keeping in view the provisions of the Companies Act, 2013 ("**Act**") and various notifications issued by the Ministry of Corporate Affairs. This CSR Policy embodies the approach and the guideline initiatives to be undertaken.

4. OBJECTIVE:

- a. We shall endeavour to reinforce our image as socially responsible corporate citizen.
- b. We shall ensure that all communities benefit from CSR activities undertaken.
- c. Our primary focus shall be on education, medical treatment, eradication of hunger and other objects as permitted under the provision of Section 135 of the Companies Act, 2013 read with schedules;
- d. CSR programs will primarily be pursued in areas which fall in close proximity of the Company's operations so as to enable close supervision and maximum development impact for the local community particularly in rural areas, but the scope may include other locations, if essential and required by the Company.

5. DEFINITIONS:

- (i) "**Board**" shall refer to the Board of Directors of the Company;
- (ii) "**Rules**" under this CSR Policy means Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021;
- (iii) "**Net Profit**" means the net profit of a company as per its financial statement prepared in accordance with Section 198 and other applicable provisions of the Act, but shall not include the following, namely:
 - a. any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
 - b. any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act;
- (iv) "**Administrative overheads**" means the expenses incurred by the company for 'general management and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social incurred by the company for 'general



management and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme; and

- (v) **"Ongoing Projects"** means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.

6. CSR COMMITTEE:

The CSR committee comprises of:

- (i) Ajay Govind Agarwal (Independent Director) – Chairman;
- (ii) Raghav Modi (Director) – Member; and
- (iii) Navin Agarwal (Director) – Member.

7. RESPONSIBILITY OF CSR COMMITTEE:

CSR committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy in consonance with the long-term vision and strategy of the Company in respect of CSR activities, which shall include the following, namely:

- the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- the manner of execution of such projects or programmes as specified in sub-rule (1) of Rule 4 of the Rules;
- the modalities of utilization of funds and implementation schedules for the projects or programmes;
- monitoring and reporting mechanism for the projects or programmes; and
- details of need and impact assessment, if any, for the projects undertaken by the Company; and
- recommend to the Board any alteration of the annual action plan at any time during the financial year, based on the reasonable justification to that effect.

8. CSR ACTIVITIES:

The contribution will be made for any CSR activities undertaken within India.

The committee will give preference to the local area and areas around it where it operates in spending the amount earmarked for CSR activities.

9. AMENDMENT AND REVIEW OF THE POLICY:

a. Administrative Overheads

The Board shall ensure that the administrative overheads expenses not to exceed 5% (five percent) of the total CSR expenditure of the Company in the respective financial year.

b. Surplus from CSR Activities

Any Surplus arising out of the CSR activity shall not be a part of the business profit of the Company. Such surplus shall be used on the following within a period of 6 (six) months of the expiry of the financial year:

- Ploughed back into the same project; or
- Transferred to the "Unspent CSR Account"; and spent in pursuance of the CSR policy and the annual action plan of the Company; or
- Transfer such surplus amount to fund specified under Schedule VII of the Act.

c. Excess Amount



In case of excess CSR Spend in any year, such excess amount may be set-off against the requirement to spend up to immediate succeeding 3 financial years subject to:

- the excess amount available for set off will not include surplus arising from CSR Activities; and
- the Board to pass a resolution to that effect.

d. **Creation or Acquisition of Capital Assets**

The CSR Amount can be spent for creation or acquisition of capital assets which shall be held by:

- a company established under Section 8 of the Act or registered public trust or registered society, having charitable objects and CSR registration number under the Rules; or
- beneficiaries of the said CSR project, in form of self-help groups, collectives, entities; or
- public authority.

10. RESPONSIBILITY OF THE BOARD:

The role of the Board with respect to CSR is as under:

- Review and approve the recommendations of CSR Committee in respect of annual budget for CSR;
- To approve the CSR projects or programmes that are recommended to be undertaken in areas or subjects specified in the Act; along with the manner of execution of such projects or programmes as specified in the Act;
- To ensure that the funds are utilized for approved purpose and shall be certified by the Chief Financial Officer (CFO) or relevant person in charge of finance of the Company;
- To monitor the implementation of ongoing projects and make modifications in such projects to ensure smooth implementation of the project within permissible time period;
- To review and approve the annual action plan in pursuance of the CSR Policy and make any alteration to such plan at any time during the financial year, as may be recommended by the CSR Committee;
- Ensure that the Company spends in every financial year, at least two per cent of the average net profits made during the three immediately preceding financial years of the Company on CSR activities; and
- In case of excess CSR expenditure in any financial year, to approve and pass a resolution to the effect that the excess amount may be set off against the requirement to spend in the three immediate succeeding financial years.

11. IMPACT ASSESSMENT:

In the event of the average CSR obligation of the Company in the three immediately preceding financial years being INR 10,00,00,000 (Rupees Ten Crores) or more as under:

- To undertake Impact Assessment through an Independent Agency for all projects of INR 1,00,00,000 (Rupees One Crore) or more which have been completed not less than 1 (one) year before undertaking the impact study.
- To consider and approve the impact assessment reports which shall be annexed to the annual report on CSR.
- To consider and approve the Cost of the Impact Assessment which shall be the lesser of 5% (five percent) of CSR Expenditure or INR 50,00,000/- (Rupees Fifty Lakhs).

12. DISBURSEMENT OF CSR AMOUNT:

The Company may undertake CSR activities, on its own or by pooling the resources into foundation or any other trust or society created for charitable purpose, or other charitable company or not-for-profit organizations ("NGOs") or any combination thereof. The CSR committee, shall decide on the budget allocation for CSR projects and programmes and the instalments for disbursement of amount as part of the Annual CSR Plan and recommend the same to the Board for its approval.

13. PARTNERING ORGANISATION:



While undertaking any project or program with other partnering organizations, the Company will undertake due diligence to evaluate the NGO's reputation, track record, capacity and competency, including organization structure, requisite permits and licenses, presence in desired geography and compatibility with the Group CSR Policy and satisfy itself that the entities in the list of eligible entities through which the company shall undertake the CSR Project or Programme are registered with the Central Government as required under the CSR Rules in this behalf.

14. DISSEMINATION OF INFORMATION:

The CSR committee will report to the Board of the Company from time to time the status of the CSR projects/ activities undertaken by it along with the report on the impact created by such projects/ activities.

The Company would upload Composition of CSR Committee, its CSR Policy, and projects approved by the Board on website of the Company.

A detailed status report on the CSR activities carried out by the Company will be disclosed every year as part of the Directors' Report in the Annual Report. The said information will also be uploaded on the website of the Company.

The CSR activities of the Company would be visible through newsletters, websites, press releases and Directors' Annual Report (as an integral part of business) articulated on major occasions and employee / shareholder meetings.

15. TRANSFER OF UNSPENT AMOUNT OF CSR:

Unspent amount of CSR, if any, are to be transferred in terms of section 135(5) & (6) of the Act, to any fund included in schedule VII of the Act, until a specific fund is prescribed.

The Company is required to transfer the unspent amount within a period of six months of the expiry of the financial year to a Fund specified in Schedule VII, unless the unspent amount relates to any ongoing project referred to in sub-section 135(6); 135(6) whereby the amount remaining unspent under sub-section (5), pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its CSR Policy, shall be transferred by the Company within a period of thirty days from the end of the financial year to a special account to be opened by the Company in that behalf for that financial year in any scheduled bank to be called the "**Unspent Corporate Social Responsibility Account**", and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the Company shall transfer the same to a fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

16. OUR PROGRAMMES:

The Company under this Policy works towards causes which may include:

Education, Medical treatment, Eradication of Hunger and other programmes which are permitted under Schedule VII of the Companies Act, 2013

For the sake of clarity, it may be noted that the above CSR programs do not include:

- the activities undertaken in pursuance of normal course of business of the Company;
- contribution of any amount directly or indirectly to any political party;
- activities benefiting employees of the Company as defined in Clause (k) of section 2 of the Code on Wages, 2019;
- activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services;
- activities carried out for fulfilment of any other statutory obligations under any law in force in India.



17. MISCELLANEOUS:

Any change in the CSR Policy shall be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and/or amend any part of this CSR Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

In the event of any conflict between the provisions of this CSR Policy and of the applicable laws, the provisions of applicable laws shall prevail over this CSR Policy. Any subsequent amendment / modification to the applicable laws shall automatically apply to this CSR Policy.

This Policy shall be effective from 9/09/2026 ("**Effective Date**") and can be modified, withdrawn or suspended by the Company at its sole discretion without prior intimation.

18. ENQUIRIES AND CSR SUPPORT:

For any queries related to the CSR Policy, please contact:

Name: Ajay Govind Agarwal

Designation: Director and Chairman of CSR Committee;

Email: anilorg@hotmail.com and

Contact No.: 9998018412.

Namin Agarwal

