FABINDIA's Corporate Social Responsibility (CSR) Policy

CSR PHILOSOPHY

FABINDIA LIMITED *(Formerly known as Fabindia Overseas Private Limited)* (hereinafter referred to as **"Fabindia"** or **"the Company"**) was formed by John Latane Bissell with a mission to provide a platform to artisans who are based in rural parts of India, to produce and market the traditional handicraft products made with age old techniques.

This mission created a base for providing skilled, sustainable employment to rural artisans, weavers, local communities and in turn preserving India's traditional handicrafts in the process.

Over the years, Fabindia has been operating as an ethical and trust-worthy brand, promoting a stakeholder based community model of inclusive capitalism and fostering our founder John Latane Bissell's vision- *"In addition to making profits, our aims are constant development of new products, a fair, equitable and helpful relationship with our producers, and the maintenance of quality on which our reputation rests."*

We believe that corporate social responsibility (CSR) is the responsibility to conduct business in a socially responsible, ethical and environment friendly manner and in turn contribute to the economic and social growth of the nation.

CSR MISSION

We have identified the following focus areas as our CSR mission:

1. Promotion of Education and Vocational Skills:
To promote education, employment enhancing vocational skills among children, especially girls in rural areas and children with disabilities, children of families who have financial constraints by providing access to high quality education, scholarships, other incentives such as supply of books, stipends, awards etc. without any discrimination on the basis of caste, creed, religion or sex.

2. Social Welfare:
To help and assist the needy, poor, aged, homeless, destitute, orphans, widows in case of any emergency by providing financial assistance or aid, including medical aid and provide other welfare facilities to reduce the inequalities faced by the socially and economically backward groups.

3. Empowerment of Women:
To participate in programmes or projects that promote gender equality, support creation of opportunities and facilitate employment for women and provide financial support with a view to make them more educated and thus socially and economically empowered.

4. Sanitation and Health Care:
To support campaigns and awareness programmes initiated by government, local bodies, nongovernment organizations, trust, societies or companies to educate people in rural areas on the importance of maintaining hygiene which in turn will prevent occurrence of various diseases.

5. Conservation of Environment:
To ensure environmental sustainability, ecological balance, protection of flora and fauna, conservation of natural resources, animal welfare and maintaining quality of soil, air and water and help in providing safe drinking water and to support clean air and sustainable mobility initiatives or programmes.

6. Rural Development Projects:
To promote rural development projects that help in skill development, community development, generation of employment opportunities and eradication of poverty in rural areas.

7. Disaster Relief:

To provide financial assistance, and other humanitarian and medical aid to help rehabilitate persons and provide other disaster relief to victims of natural calamities like floods, cyclones, earthquakes, etc.

8. *Conservation of National Heritage, Art, Culture and other related activities:
To support and participate in projects, campaigns and programmes that help in protection and conservation of national heritage, art and culture, including maintenance and restoration of buildings and sites of historical importance and works of art, setting up of public libraries, promotion and development of traditional arts and handicrafts etc.

Any CSR activity proposed to be undertaken as a CSR initiative, but not specifically covered in the aforesaid, may be undertaken only with the prior approval of the board of directors of the Company ("**Board**") and CSR Committee of the Board ("**CSR Committee**").

SCOPE AND INTERPRETATION

Fabindia has developed this CSR Policy in consonance with the CSR policy framework enshrined in the Section 135 of Companies Act, 2013 ("**2013 Act**") and in accordance with the Companies (CSR Policy) Rules, 2014 ("**CSR Rules**") notified by Ministry of Corporate Affairs, Government of India ("**MCA**"), as amended from time to time.

The Company will be entitled to all the privileges, exemptions, relaxations, if any, as may be conferred by the MCA or any other authority from time to time by way of amendment to provisions of 2013 Act, CSR Rules or otherwise. Such exemptions/relaxations shall override the restrictive provisions, if any, contained in this CSR policy.

In case of any contradiction between the provision of law applicable to the Company from time to time and this CSR Policy, then such provision of applicable law shall override the relevant clause or part of the clause of this CSR Policy, without requiring any specific alteration to this CSR Policy.

CSR ACTIVITIES AND IMPLEMENTATION

The CSR activities to be undertaken by the Company ("**CSR Activities**") shall be in line with our CSR Activities stated in this CSR Policy and shall include activities prescribed under Schedule VII of 2013 Act.

The Company will engage closely with Artisans Cluster Development Trust ("**ACDT**"), a registered Trust set up to carry out objects of a charitable nature for the welfare and betterment of artisans and craftsmen community and cottage industry at large on a pan India basis, which is one of our identified CSR implementing partner. We may further identify and collaborate with other organizations, registered trusts, registered societies or companies incorporated under Section 25 of Companies Act, 1956 ("**1956 Act**") or Section 8 of 2013 Act which are aligned to our Company's CSR Mission, to implement our CSR Mission.

The minimum benchmark which should be considered by the Company before selecting an implementing agency, such as, there existing no conflict of interest, no political background, satisfactory due diligence, track record indicators, etc. have been provided under Annexure-1 as annexed to this CSR Policy.

The CSR Committee could also, from time to time, recommend donating or making grants to the Prime Minister's National Relief Fund (PMNRF) or other funds set up by the Central Government or State Governments for socio-economic development.

Introductory Brief on the activities of Artisans Cluster Development Trust (ACDT)

ACDT was established as a charitable trust on 8th December 2017, to provide assistance in social upliftment of the artisans and craftsmen community in India with provision of education, vocational training, hygiene and nutrition, etc.

ACDT had been formed for working upon the upliftment of the weaker sections of the society with a specific focus on areas like education, provision of technical/ financial assistance, sanitation, healthcare, hygiene, nutrition, empowerment of women, clean environment, medical treatment and operations social economic development of backward classes by providing financial assistance to the needy, poor, aged, homeless, orphans, widows, etc., and development of rural areas.

The Company shall provide financial aid or assistance to ACDT. ACDT, for us, represents our efforts put forth towards fulfilment of the CSR Mission stated in this CSR Policy. The Company has further authorized ACDT to provide all kinds of assistance, relief, aid or grant to non-government organizations, charitable companies, trusts, societies etc. that are being supported by ACDT and are engaged in undertaking projects, programmes or activities for welfare and development of society in line with CSR activities specified under Schedule VII of the 2013 Act.

CSR Funds

The Company, for the purposes of carrying on the CSR Activities, shall spend at least 2% of the average net profits made during three immediately preceding financial years. Any surplus arising out of the contribution made for CSR Activities, shall not form a part of the business profit of the Company and shall be redeployed for such activities.

ANNUAL ACTION PLAN

The CSR Committee shall formulate and recommend to the Board, an annual action plan which shall include the following:

1. the list of CSR projects or programmes that are approved and to be undertaken by the Company in accordance with areas or subjects specified in Schedule VII of the 2013 Act;

2. the manner of execution of such projects or programmes;

3. the modalities of utilisation of funds and implementation schedules for the projects or programmes;

4. monitoring and reporting mechanism for the projects or programmes; and

5. details of need and impact assessment, if any, for the projects undertaken by the Company.

The Board is empowered to alter the annual action plan during the financial year, if so recommended by the CSR Committee, based on the reasonable justification for such change.

NEED AND IMPACT ASSESSMENT

CSR Activities undertaken should be in the interest of the society and the local population where the Company operates. Before undertaking any project or activities, the Company shall conduct need assessment for the project and its utility in the demography where project is proposed.

After one year of completion of a CSR project, the Company may consider conducting an impact assessment of the project so completed and place a report for the consideration of the Board. A summary of the outcome of any such impact assessment undertaken by the Company shall also be disclosed in the Board's Report.

MONITORING MECHANISM

For the purposes of monitoring implementation of the CSR Policy and the CSR Activities, the Company has constituted a CSR committee ("**CSR Committee**"). The CSR Committee currently comprises of the following three Directors of the Company*:

1. Ms. Smita Mankad, Chairperson of the CSR Committee;

2. Ms. Monsoon Latane Bissell, Member of the CSR Committee, and

3. Mr. Mukesh Kumar Chauhan, Member of the CSR Committee

who shall monitor the implementation of the CSR Policy through periodic reviews of the activities or projects or programmes undertaken by the implementing agencies, including ACDT.

The Board shall reconstitute the CSR Committee as and when required *inter alia*, to comply with the provisions of the 2013 Act and other applicable laws and statutory requirements.
The CSR Committee shall ensure that a half yearly progress report on the CSR Activities and a CSR fund utilization certificate with statement of expenditure duly certified by an authorized auditor is obtained from ACDT and any other implementing agency used by the Company, on a half yearly basis. The Board shall seek a short progress report from the CSR Committee at the end of every financial year.

The Board shall satisfy itself that the CSR funds so disbursed have been utilized properly and Chief Financial Officer or such other person responsible for financial management, and shall give utilisation certificate of the disbursements made.

CSR EXPENDITURE

The CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR Activities undertaken in accordance with this CSR Policy. The Board will ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year, or such other percentage as may be prescribed by applicable laws.

Any income, surplus or profit arising from the CSR Activities will not form part of the business profit of the Company and will be ploughed back into the same project or will be transferred to the unspent CSR account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

In an event, where CSR expenditure is in excess of requirement as per Section 135 of the 2013 Act, such excess amount may be set-off against the requirement to spend as per Section 135 of 2013 Act, up to immediate succeeding three financial years subject to the condition that:

(i) such excess amount shall not include any surplus arising out of CSR Activities; and
(ii) the Board shall pass a resolution to this effect.

Any capital asset created/acquired out of CSR funds shall be held by a company established under Section 8 of the 2013 Act, or a registered public trust or registered society having charitable objects and CSR registration number, or beneficiaries of such CSR project, in the form of self- help groups, collectives, entities or a public authority.

Disclosures

1. The Board shall ensure that contents of the CSR Policy are disclosed in its report, including an annual report on CSR, containing particulars specified in Annexure II of the Companies (CSR Policy) Amendment Rules, 2021 ("**CSR Amendment Rules, 2021**").

2. The Board shall place the composition of the CSR Committee, the CSR Policy and Projects approved by the Board on the Company's website in the prescribed manner as specified under Section 135 of the 2013 Act read with CSR Rules.

3. The Board will review the policy from time to time based on the changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary.

4. The CSR Committee shall ensure that the CSR implementing agencies of the Company are entities registered as trust or society or company or companies incorporated under Section 8 of 2013 Act or Section 25 of 1956 Act. The implementing agency should not have less than three years' experience in implementing CSR activities.

5. The Company sources its products from 55,000 artisans and weavers in rural sector spread across 28 states of India, thereby providing 100,000 sustainable skilled jobs in the rural sector and

promoting the age old traditions of India's craftspeople. This activity is part of the normal course of business of the Company and therefore is not included in the CSR Mission.

Note:

** The Original Fabindia's CSR Policy was approved on 25th June, 2014 and subsequently amended on 23rd February, 2017 to insert Conservation of National Heritage, Art, Culture and other related activities as part of CSR Mission of the Company.*

- *Fourth amendment was made on 27th August 2021 to bring out necessary changes in accordance with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021*

**The name of the Company was changed pursuant to Board approval approving the name change and conversion from Private Limited to Public limited, CTC's of which are attached as Annexure- 2 and 3 and subsequent approval by Registrar of Companies ('ROC') on 22nd October, 2021*

**The CSR Committee was reconstituted on 24th November, 2021 pursuant to the Board approval, CTC of which is attached as Annexure – 4.*

In addition, the CSR Policy of the company may give guidance on Voluntary CSR Initiatives, Voluntary CSR Audit, CSR Governance Principles and reporting about deviations, if any. Further, CSR Policy may also provide for guidance on disclosure of awards and recognitions received.

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Annexure-1

Indicative list of aspects to be considered while engaging with other entities

1. Due diligence of the implementing agency would be conducted to check the credentials of the organization. The following information from the interested implementing agencies would be sought, as relevant:

    i. Form CSR-1 filed with MCA along with acknowledgement receipt;
    ii. Formal proposal letter from eligible entity;
    iii. Memorandum/Article of Association or Constitution;
    iv. Registration Certificate;
    v. Registration Certificate under Section 12A;
    vi. Audited Accounts of last three years;
    vii. IT Exemption Certificate under Section 80G (Lifetime validity);
    viii. Pan Card;
    ix. IT Exemption Certificate under Section 35(i), if available;
    x. Acknowledgement of Income Tax Return along with IT Return filed (last three years);
    xi. FCRA Certificate (if any) and latest copy of FCRA Return FC-3, if available; and
    xii. Description of the project.

2. Ensure that the project/ programme is consistent with list of activities in Schedule VII of the 2013 Act.

3. Ensure that the CSR Activities are not the part of normal course of business of the Company and CSR projects or programs or activities would be undertaken in India only.

4. The team may visit and/or meet the representatives to assess the organization (as required). Quarterly reporting on the progress in implementation of the projects/ programmes and utilization of the amounts.

5. Reserving the rights, to be exercised at its sole discretion, of stopping the funding at any stage of the project, if the program is not being implemented as per program objectives and goals.

Annexure -2

CERTIFIED TRUE COPY OF RESOLUTION PASSED IN THE MEETING NO. 51/2021 OF THE BOARD OF DIRECTORS OF FABINDIA OVERSEAS PRIVATE LIMITED HELD ON THURSDAY, 2ND DAY OF SEPTEMBER 2021 AT 11, AMRITA SHERGILL MARG, NEW DELHI-110003 FROM 05:00 PM TO 07:30 PM.

TO APPROVE CONVERSION OF COMPANY INTO A PUBLIC LIMITED COMPANY

"RESOLVED THAT pursuant to the provisions of Section 13, 14, 18 and other applicable provisions of Companies Act, 2013 ("Act"), and Rules framed thereunder and all other applicable provisions, if any, of the Act read with rules framed thereunder, as amended/ re-enacted from time to time and any other applicable laws (collectively "Applicable Laws"), subject to the approval of Registrar of Companies, Delhi under Ministry of Corporate Affairs or any other authority, forum as may be competent to grant such approval and such other approval, permission or sanction of the other appropriate authorities as may be necessary and subject to the approval of members of the Company on the aforesaid resolution of Change of Name of the Company and subject to the consent of the members of the Company in the General Meeting, approval of the Board be and is hereby accorded to convert the company from a "Private Limited" entity to "Public Limited" entity and consequently the name of the company be changed from "FABINDIA PRIVATE LIMITED" to 'FABINDIA LIMITED" by deleting the word 'Private' before the word 'Limited'.

RESOLVED FURTHER THAT the name of "FABINDIA PRIVATE LIMITED", wherever it appears in the memorandum, article, documents etc. be substituted by the new name "FABINDIA LIMITED" in due course.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors of the Company (which expression shall also include a Committee thereof) be authorised to take such steps as may be necessary including the delegation of all or any of its powers herein conferred to any director(s), the Company Secretary or any other officer(s) of the Company and to do all acts, deeds, matters and things as they may, in their absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters in relation/ consequential to the Conversion of Company including execution and filing of all the relevant documents with the other appropriate regulatory and statutory authorities and to settle any questions, difficulty or doubts that may arise in this regard."

TO APPROVE AMENDMENT IN MEMORANDUM AND ARTICLES OF ASSOCIATION

a. Amendment in Memorandum of Association

"RESOLVED THAT pursuant to the provisions of Section 13 and other applicable provisions of Companies Act, 2013 ("Act"), and Rules framed thereunder and all other applicable provisions, if any, of the Act read with rules framed thereunder, as amended/ re-enacted from time to time and any other applicable laws (collectively "Applicable Laws"), subject to the consent of the Members of the Company, approval of Board of Directors be and is hereby accorded for substituting Clause I of the Memorandum of Association of the Company with the following clause:

The Name of the Company **is "FABINDIA LIMITED."**

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors of the Company (which expression shall also include a Committee thereof) be authorised to take such steps as may be necessary including the delegation of all or any of its powers herein conferred to any director(s), the Company Secretary or any other officer(s) of the Company and to do all acts, deeds, matters and things as they may, in their absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters in relation/ consequential to the name change on account of conversion of the company including execution and filing of all the relevant documents with the other appropriate regulatory and statutory authorities and to settle any questions, difficulty or doubts that may arise in this regard."

b. Adoption of new set of Articles of Association as per Conversion to a Public Limited Company

"RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions of Companies Act, 2013 ("Act"), and Rules framed thereunder and all other applicable provisions, if any, of the Act read with rules framed thereunder, as amended/ re-enacted from time to time and any other applicable laws (collectively "Applicable Laws"), the Articles of Association of the Company be and is hereby altered to be in conformity with the provisions of the Act relating to a Public limited company and thereby deleting the restrictive clause as per Section 2(68) of the Companies Act, 2013.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors of the Company (which expression shall also include a Committee thereof) be authorised to take such steps as may be necessary including the delegation of all or any of its powers herein conferred to any director(s), the Company Secretary or any other officer(s) of the Company and to do all acts, deeds, matters and things as they may, in their absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters in relation/ consequential to the alteration of Articles of Association on account of conversion of the Company including execution and filing of all the relevant documents with the other appropriate regulatory and statutory authorities and to settle any questions, difficulty or doubts that may arise in this regard."

Certified to be True
For **FABINDIA OVERSEAS PRIVATE LIMITED**

Sd/-
MONIKA UPPAL ARORA
COMPANY SECRETARY
Membership No. ACS-17485
R/o: 11/141, Malviya Nagar,
New Delhi-110017

Date: 24.11.2021
Place: New Delhi

Annexure – 3

CERTIFIED TRUE COPY OF RESOLUTION PASSED IN THE MEETING NO. 51/2021 OF THE BOARD OF DIRECTORS OF FABINDIA OVERSEAS PRIVATE LIMITED HELD ON THURSDAY, 2ND DAY OF SEPTEMBER 2021 AT 11, AMRITA SHERGILL MARG, NEW DELHI-110003 FROM 05:00 PM TO 07:30 PM.

TO APPROVE THE CHANGE OF NAME OF THE COMPANY

"RESOLVED THAT pursuant to the provisions of Section 4 (4), 13, 14 and other applicable provisions of Companies Act, 2013 ("Act"), and Rules framed thereunder and all other applicable provisions, if any, of the Act read with rules framed thereunder, as amended/ re-enacted from time to time and any other applicable laws (collectively "Applicable Laws"), subject to the approval of Central Registration Centre, Registrar of Companies, under Ministry of Corporate Affairs and Central Government or any other authority, forum as may be competent to grant such approval and such other approval, permission or sanction of the other appropriate authorities as may be necessary and subject to the approval of members in the Annual General Meeting, consent of the Board of Directors of the Company be and is hereby accorded, to change the name of the Company from **"FABINDIA OVERSEAS PRIVATE LIMITED"** to **"FABINDIA PRIVATE LIMITED"** or any other name as maybe made available by the Ministry of Corporate Affairs and agreed upon by the Board of Directors of the Company.

RESOLVED FURTHER THAT the name of "FABINDIA OVERSEAS PRIVATE LIMITED", wherever it appears in the memorandum, article, documents etc. be substituted by the new name "FABINDIA PRIVATE LIMITED" in due course.

RESOLVED FURTHER THAT Clause I of the Memorandum of Association of the Company be substituted by the following:

'The Name of the company is **"FABINDIA PRIVATE LIMITED"**.

"RESOLVED THAT in the Articles of Association of the company, the name of the Company be and is hereby amended to **"FABINDIA PRIVATE LIMITED",** wherever appears.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors of the Company (which expression shall also include a Committee thereof) be authorised to take such steps as may be necessary including the delegation of all or any of its powers herein conferred to any director(s), the Company Secretary or any other officer(s) of the Company and to do all acts, deeds, matters and things as they may, in their absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters in relation/ consequential to name change including execution and filing of all the relevant documents with the other appropriate regulatory and statutory authorities and to settle any questions, difficulty or doubts that may arise in this regard."

Certified to be True
For **FABINDIA OVERSEAS PRIVATE LIMITED**

Sd/-
MONIKA UPPAL ARORA
COMPANY SECRETARY
Membership No. ACS-17485
R/o: 11/141, Malviya Nagar,

Date: 24.11.2021
New Delhi-110017

Annexure – 4

CERTIFIED TRUE COPY OF RESOLUTION PASSED IN THE MEETING NO. 54/2021 OF THE BOARD OF DIRECTORS OF FABINDIA LIMITED *(FORMERLY KNOWN AS FABINDIA OVERSEAS PRIVATE LIMITED)* HELD ON WEDNESDAY, 24TH DAY OF NOVEMBER 2021 AT C-40, 2ND FLOOR, OKHLA INDUSTRIAL AREA, PHASE-II, NEW DELHI-110020 FROM 04:00 PM TO 06:00 PM IST.

A. RE-CONSTITUTION OF THE CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

"RESOLVED THAT in supersession of all earlier resolutions, pursuant to Section 135 and other applicable provisions, if any, of the Companies Act, the Corporate Social Responsibility Committee of the Company be and is hereby re-constituted as under:

1. Ms. Smita Mankad, Chairperson
2. Ms. Monsoon Latane Bissell, Member
3. Mr. Mukesh Kumar Chauhan, Member

RESOLVED FURTHER THAT Ms. Smita Mankad, Independent Director be and is hereby appointed as the Chairperson of the Corporate Social Responsibility Committee.

RESOLVED FURTHER THAT the quorum for the Corporate Social Responsibility Committee meeting shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or 2 (two) members, whichever is higher.

RESOLVED FURTHER THAT the terms of reference of the Corporate Social Responsibility Committee has been specified in Annexure-D.

RESOLVED FURTHER THAT any of the Directors of the Company and Company Secretary of the Company, be and are hereby severally authorised to issue certified true copies of these resolutions to various authorities and to do all such acts, things and deeds on behalf of the Company to effectively implement this resolution."

Certified to be True
For **FABINDIA LIMITED**
(Formerly known as Fabindia Overseas Private Limited)

Sd/-
MONIKA UPPAL ARORA
Company Secretary and Compliance Officer
Membership No. ACS-17485
R/o: 11/141, Malviya Nagar,
New Delhi-110017

Date: 24.11.2021
Place: New Delhi