



AZA FASHIONS PRIVATE LIMITED
CORPORATE SOCIAL RESPONSIBILITY POLICY

(As approved by the Board of Directors on May 08, 2021)

Introduction

Aza Fashions Private Limited ("the Company") has its Registered Office at 702, 'B' Wing, Naman Midtown, Senapati Bapat Marg, Prabhadevi Mumbai 400 013. The Company is engaged in the retail business of readymade garments and related accessories.

The Corporate Social Responsibility ("CSR")

The CSR refers to transparent business practices that are based on ethical values, compliance with legal requirements, and respect for people, communities and the environment.

At Aza, a broad social commitment is an integral part of our culture and how we define ourselves as a Company. We feel both the desire and the obligation to be a reliable partner for the society and as such, we are particularly committed to those issues, which are relevant to us as a Company in the regions where we operate.

The Company is committed to undertake CSR activities in accordance with the provisions of Section 135 of the Companies Act, 2013 ("the Act") read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Policy encompasses the Company's philosophy for delineating its responsibility as a responsible corporate citizen.

The CSR Policy lays down the guidelines and mechanism for undertaking socially useful programmes for welfare and sustainable development of the community at large. This Policy shall apply to all CSR initiatives and activities undertaken by the Company for the economic and social development of the society.



Aza Fashions Pvt. Ltd.

Stores

: Shop No. 1-4, Prithvi Shopping, 21, Altamount Road, Mumbai: 400026, Tel.: 91-22-23530212/23517616, Mob.: 9867451199
Shishir, 15-A Juhu Tara Road, Near Maneckjee Cooper School, Mumbai: 400049, Tel.: 91-22-26610091/92, Mob.: 9833951198
Gr. Floor, Aza House, 24, Turner Road, Bandra, Mumbai - 400 050. Tel.: 91-22-2643 5123-28, Mob.: 9833281197
Eros 48, Ground Floor, F-48, South Extension, N.D.S.E. - Part I, New Delhi: 110049, Tel.: 91-11-43237878, Mob.: 9310178433
Ambawatta One, Kalkadas Marg, Near Qutub Minar, Mehrauli, New Delhi 110 030. Tel.: 91-11-20860075, Mob.: 8527636433
D-21, Defence Colony, New Delhi: 110024. Tel.: 91-11-41174505, Mob.: 9205737433

e-Commerce

: 1801/1802, 'A' Wing, Naman Midtown, Senapati Bapat Marg, Prabhadevi, Mumbai - 400 013. Tel.: 022-6280 8600

Regd. Off.

: 702, 'B' Wing, Naman Midtown, Senapati Bapat Marg, Prabhadevi, Mumbai - 400 013. Tel.: 022-6848 8500

CIN NO. : U74994MH2004PTC148401 • E-mail : admin@azafashions.com

1. CSR Objectives

Corporate citizenship forms an integral part of the Company's vision of itself as a business enterprise. The broad areas of our Corporate Social Responsibility focus include inter-cultural innovation, social inclusion, responsible use of resources, skill development, and road safety. We also endeavour to align our efforts with the locally relevant topics and issues thus, creating a greater positive impact on the society. Our efforts are directed towards scaling up of our corporate citizenship solutions and to help people to help themselves in the long term. It is both our objective and duty to be a dependable partner to the society. The aim is to integrate the Company into the society and to create mutual acceptance and a rewarding partnership while taking local context into account.

2. CSR Committee

For effectively carrying out the above-mentioned objectives, the Company has constituted the Corporate Social Responsibility Committee ("the CSR Committee") in accordance with Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, to ensure that the purpose of this Policy is being achieved.

The CSR Committee shall be comprised in accordance with the requirements of the Act and the Rules made thereunder. The details of the composition will be hosted on the Company's website at <https://www.azafashions.com>

3. Role and Responsibilities of the CSR Committee

In terms of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the key responsibilities of the CSR Committee are :-

- (a) To formulate CSR Policy and recommend the same to the Board of Directors for its approval.
- (b) To be responsible for identification, selection, approval, planning, execution, supervision, coordination and monitoring of various programmes/projects and activities under CSR.
- (c) To recommend to the Board the CSR activities/projects and the amount to be expended on such activities/projects, which the Company will undertake during the relevant financial year.
- (d) To monitor the implementation of the CSR activities/projects from time to time.



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- (e) To institute a transparent monitoring mechanism for implementation of the projects/programmes/activities undertaken or proposed to be undertaken by the Company.
- (f) To provide "Responsibility Statement" in the Company's Annual Report, stating that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of the Company.
- (g) To interact with the Governmental and Non-Governmental bodies as and when required in relation to implementation of CSR activities/projects under this Policy.
- (h) To ensure receipt of Utilization Certificates along with Statement of Expenditure, duly certified by a Chartered Accountant of repute, by the organizations/institutions to whom the CSR Fund is allocated/by whom the CSR Fund is spent.
- (i) To review performance of the Company in the area of Corporate Social Responsibility and decide the priority of the activities to be undertaken.
- (j) To ensure that the conduct of the CSR Policy is in line with the Overall Sustainability Objective.
- (k) The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR Policy, which shall include the following, namely:
- (i) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - (ii) the manner of execution of such projects or programmes as specified in sub-rule (1) of Rule 4;
 - (iii) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - (iv) monitoring and reporting mechanism for the projects or programmes; and
 - (v) details of need and impact assessment, if any, for the projects undertaken by the Company:

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.



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(l) The CSR Committee shall place before the Company's Board of Directors, its Report (at the end of financial year) in accordance with the provisions of the Act and the rules made thereunder.

4. Scope of activities under CSR initiative

The CSR activities will be undertaken by the Company in line with the provisions of Schedule VII to the Act. The CSR Committee is empowered to undertake activities provided within the ambit of Schedule VII to the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

The following are the activities, which can be undertaken by the Company as specified in Schedule VII to the Act :-

(a) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation [including contribution to the Swachh Bharat Kosh set up by the Central Government for the promotion of 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 centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.

(d) 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 including contribution to the Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga.

(e) 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 art and handicrafts;

(f) 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;

(g) training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports

(h) contribution to the Prime Minister's National Relief Fund [or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund ("PM CARES Fund") or any other fund set up by the Central Government . for socio-economic development and relief and welfare of the scheduled castes, tribes, other backward classes, minorities and women;



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(i) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or the State Government or Public Sector Undertaking or any agency of the Central Government or the 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 Organisation ("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").

(j) rural development projects

(k) 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.

(l) disaster management, including relief, rehabilitation and reconstruction activities.

The scope of CSR activities may be expanded from time to time as per the guidelines provided in the Act.

5. Implementation approach

The Board shall ensure that the CSR activities are undertaken by the Company itself or through:

(a) a company established under Section 8 of the Act, or a registered public trust or a registered society, registered under Sections 12A and 80 G of the Income Tax Act, 1961, established by the Company, either singly or along with any other company, or

(b) a company established under Section 8 of the Act or a registered trust or a registered society, established by the Central Government or the State Government; or

(c) any entity established under an Act of Parliament or a State legislature; or



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- (d) a company established under Section 8 of the Act, or a registered public trust or a registered society, registered under Sections 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least 3 (three) years in undertaking similar activities.

Every entity, covered above, who intends to undertake any CSR activity, shall register itself with the Central Government by filing the Form CSR-1 electronically with the Registrar of Companies, with effect from April 1, 2021 and obtain a unique CSR Registration Number:

Provided that the provisions of this sub-rule shall not affect the CSR projects or programmes approved prior to April 1, 2021.

Provided also that the Company has specified the projects or programmes to be undertaken through these entities, the modalities of utilization of funds on such projects and programmes and the monitoring and reporting mechanism.

A company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR Policy as well as for capacity building of their own personnel for CSR.

The Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programmes in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Company may use services of expert agencies, consultancy firms etc. wherever required for carrying out baseline surveys, guidance on project design and implementation, impact assessment surveys etc.

The CSR Committee from time to time will specify the list of activities to be undertaken by the Company and shall place before the Board of Directors the status update of the projects and programmes undertaken, specifying the modalities of execution of such activities or projects.

The CSR Committee may approve the outside agencies with whom the collaborations or association may be established to undertake CSR activities.

The Board shall satisfy itself/ or be satisfied that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management, in the absence of the Chief Financial Officer shall certify to the effect.

In case of ongoing project, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.



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6. Monitoring Process of CSR Activities

Annual action plan will be formulated by the CSR Committee with respect to the CSR projects undertaken by the Company.

Any other donations will be cleared / signed off by any one of the CSR Committee members.

The CSR Committee will monitor and review on a periodical basis the progress of CSR activities undertaken / completed.

7. Reporting of CSR Activities

The Company's Board of Directors shall report in the Board's Report a detailed description in the prescribed format, of the CSR activities undertaken and status update thereof.

The CSR Committee is responsible for undertaking the CSR activities and ensuring that the CSR budget is utilized as per the statutory requirement.

During every financial year, the CSR Committee will meet from time to time as it may deem fit for the purpose of undertaking overview of the CSR activities. The CSR Committee shall review and discuss the scope of the activities or programmes or projects those were undertaken during the financial year as part of the Company's CSR activities/projects. The Company's Board of Directors shall from time to time review the CSR activities of the Company.

In case the Company has an average CSR obligation of Rs.10 crore or more in pursuance of sub-section (5) of Section 135 of the Act, in the 3 (three) immediately preceding financial years, the Company shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of Rs.1 crore or more, and which have been completed not less than 1 (one) year before undertaking the impact study.

The impact assessment reports shall be placed before the Board and shall be annexed to the Annual Report on CSR.

In case the Company undertakes an impact assessment, then it may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed 5 (five) percent of the total CSR expenditure for that financial year or Rs.50 lakh, whichever is less.



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8. Funding, Allocation and Tax Treatment of CSR spend

- (a) For achieving its CSR objectives through implementation of meaningful and sustainable CSR programmes, the Company will allocate 2% (two per cent) of average of its Net Profits computed as per Section 198 of the Act for the 3 (three) preceding financial years made by the Company during every block of 3 (three) years as its Annual CSR Budget.
- (b) Tax treatment of the CSR spend of the Company during every financial year, shall be in accordance with the provisions of the Income-tax Act, 1961 and rules made thereunder, as notified by the Central Government and amended from time to time.
- (c) In any financial year, if the Company fails to spend the required amount as mentioned above, the Board of Directors shall, in its Report, specify the reasons for not spending the amount.
- (d) The Board shall ensure that the administrative overheads shall not exceed 5 (five) percent of total CSR expenditure of the Company for the financial year.
- (e) Any surplus arising out of the CSR activities shall not form part of the business profit of the Company and shall be ploughed back into the same project or shall 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 6 (six) months of the expiry of the financial year.
- (f) Where a company spends an amount in excess of requirement provided under sub-section (5) of Section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of Section 135 up to immediate succeeding 3 (three) financial years subject to the conditions that:
- (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule.
 - (ii) the Board of the Company shall pass a resolution to that effect.
- (g) The CSR amount may be spent by the company for creation or acquisition of a capital asset, which shall be held by -
- (a) a company established under Section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or
 - (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
 - (c) a public authority:

S.T. Ghosh



9. Display of CSR activities on its website

The Board of Directors of the Company shall disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.

10. Transfer of unspent CSR amount

Until a fund is specified in Schedule VII for the purposes of sub-section (5) and (6) of Section 135 of the Act, the unspent CSR amount, if any, shall be transferred by the Company to any fund included in Schedule VII of the Act.

11. Role of the Board of Directors

The Board of Directors shall perform the following duties so far as the CSR Policy of the Company and the activities relating thereto are concerned:-

- (a) To approve the Corporate Social Responsibility Policy for the Company after considering the recommendations made by the CSR Committee.
- (b) To disclose the contents of the Company's CSR Policy in the Report of the Board of Directors and shall display the same on the Company's website, if any.
- (c) To ensure that the activities included in the CSR Policy of the Company are actually undertaken by the Company.
- (d) To ensure that the Company spends at least 2% (two per cent) of its average Net Profits made during the three immediately preceding financial years in every financial year.
- (e) To ensure that preference is given to the local area and areas around the Company where it operates, for spending the amount allocated for CSR activities.
- (f) To ensure that the activities covered by the Company in its CSR Policy as CSR projects or programmes are within the scope of Schedule VII to the Companies Act, 2013 and the rules thereunder.



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12. Amendment to CSR Policy

Any or all provisions of the CSR Policy would be subject to revision/amendment(s) by the Company's Board of Directors based on the recommendations of the CSR Committee in accordance with the Companies Act, 2013 and the rules made thereunder. The Company reserves the right to modify, cancel, add, or amend any of the provisions of CSR Policy stated hereinabove.

For and on behalf of the Board

S.T. Shah

Shailesh T. Shah
Director
DIN: 00184266

