SURYALATA SPINNING MILLS LIMITED

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CORPORATE SOCIAL RESPONSIBILITY POLICY

PREAMBLE

The Board of Directors ("the Board") of the Company has adopted this policy in line with the requirements of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.

VISION

Corporate Social Responsibility (CSR) is fundamentally a philosophy or a vision about the relationship of business and society. The emerging concept of CSR goes beyond charity and requires the Company to act beyond its legal obligations and to integrate social, environmental and ethical concerns into Company's business process.

This policy shall apply to all Corporate Social Responsibility ("**CSR**") initiatives and activities to be undertaken by the Company. CSR Policy functions as a built-in, self- regulating mechanism whereby a business monitors and ensures its active compliance with the spirit of the law, ethical standards, and international norms. In some models, a firm's implementation of CSR goes beyond compliance and engages in "actions that appear to further some social good, beyond the interests of the firm and that which is required by law. It is a process with the aim to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere who may also be considered stakeholders.

OBJECTIVE

The objective and purpose of this Policy is:

- to provide the framework for selection, allocation, implementation, governance, management and monitoring of CSR initiatives and formulation of the annual action plan; and

- to ensure an increased commitment at all levels in the organisation, to operate its business in an economically, socially & environmentally sustainable manner, while recognising the interests of all its stakeholders.

DEFINITIONS

1. "Act" shall mean Companies Act, 2013 and includes any amendments thereof.

2. "Board" or "Board of Directors" means the Board of Directors of the Company.

3. "Corporate Social Responsibility (CSR)" means as defined in the Act or Rules made thereunder.

4. "CSR Activities" means such programs and projects as may be approved by the Board in line with the Act and Rules made thereunder.

5. "CSR Committee" means a committee constituted by the Board of Directors in terms of Section 135 of the Act and the CSR Rules.

6. "CSR Rules" mean the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

7. "Director(s)" means a member(s) of the Board of the Company.

8. "Net Profit" means the net profit of the Company as defined in the Rules.

All words and expressions used and not defined herein but defined in the Act and CSR Rules as amended from time to time shall have the meanings respectively assigned to them in those legislation.

CSR COMMITTEE

1. The constitution of the Committee, it's powers, functions and responsibilities shall be as prescribed in the Act and Rules made thereunder from time to time.

2. The CSR Committee shall hold at least one meeting in a financial year which shall be attended by minimum quorum as may be specified in the applicable laws.

IMPLEMENTATION OF THE CSR POLICY

The Board shall be responsible for implementing the mandate of the CSR Policy and shall ensure that the CSR Activities are carried out in accordance with the CSR Policy read with the Act and CSR Rules.

a. Mode of Implementation:

   The CSR Activities may be undertaken by the Company or any third party in line with the Act and rules made thereunder

b. The Company shall conduct due diligence prior to selection of any entity to inter alia verify the credentials and ensure that such entities are eligible and capable of implementing the CSR Activities.

c. The Company may also collaborate with other Companies for undertaking CSR Activities or projects provided that the CSR committees of respective companies are able to report separately on such activities or projects in accordance with the CSR Rules.

d. The Board shall empower the CSR Committee or such other officials as it may be deemed fit to finalize, approve and execute various agreements, deeds, writings, confirmations, undertakings or other documents, as may be necessary, under the Common Seal of the Company or otherwise, with any party including Implementing Agencies and/or others for the purposes of the CSR Policy and to accept modifications, changes and amendments to any such documents/ agreements and do all such other acts and deeds as may be necessary.

CSR BUDGET:

The budget for the CSR projects shall be reviewed by the CSR Committee and recommended the same to the Board for its consideration and approval. The Board / Committee, as the case may be, shall ensure that the Company spends such amounts as may be required to be spent as per the provisions of the Act and Rules made thereunder.

CSR EXPENDITURE:

CSR expenditure includes all expenses, whether direct or indirect, incurred on the programs undertaken in accordance with the approved CSR budget / plan;

Provided the board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.

SURPLUS FUND:

Any surplus arising out of the CSR activities shall be transferred to the Unspent CSR Account with in the time lines as prescribed in the Act and Rules made thereunder and such amount shall be spent in accordance with the provisions of Section 135 read with rules made thereunder failing which the Company shall transfer such surplus amount to a Fund specified in Schedule VII, within the time lines as prescribed in the Act and Rules made thereunder.

Whereas the Company spends an amount in excess of requirement of section 135 of the Act, such excess amount may be set off against the requirement to spend for such number of succeeding financial years in such a manner as may be prescribed.

CSR ANNUAL ACTION PLAN (CAAP):

The CSR Committee shall formulate and recommend to the Board of Directors, a CAAP in pursuance of this Policy, which shall include focus areas for the year, the list of projects to be undertaken, manner of execution, fund utilization, monitoring mechanism, etc. The Board of Directors may approve the CAAP with such further conditions as it deems fit and further alter CAAP at any time during the financial year, as per the recommendation of the CSR Committee, based on the reasonable justification to that effect.

INFORMATION DISSEMINATION:

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

The CSR programs undertaken by the Company may be disseminated through Company's website, Annual Reports and other appropriate mode.

MONITORING & REPORTING:

The monitoring mechanisms include visits, meetings and progress/status reporting by the project teams/Company's personnel or such other agencies as may be entrusted with.

The Board of the Company shall satisfy itself 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 shall certify to the effect.

The Board of the 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.

REVIEW OF POLICY:

This policy may be reviewed from time to time and any changes, the 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 if necessary.

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