

DHANALAXMI ROTO SPINNERS LIMITED

**CORPORATE SOCIAL RESPONSIBILITY POLICY
(CSR Policy)**

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CORPORATE SOCIAL RESPONSIBILITY POLICY

1. CONTEXT

Dhanalaxmi Roto Spinners Limited (DRSL' or 'the Company') has been an early adopter of corporate Social Responsibility (CSR') initiatives. Along with sustained economic performance, environmental and social stewardship is also a key factor for holistic business growth. The Company's focus has always been to contribute to the sustainable development of the society and environment, and to make our planet a better place for future generations.

2. SCOPE AND APPLICABILITY

The DRSL Corporate Social Responsibility (CSR) Policy has been developed in accordance with section 135 of the Companies Act 2013 ("Act") on CSR and in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("Rules") (including any statutory modifications, amendments, or re-enactments of any of them for the time being in force). This Policy shall apply to all CSR projects / programmes undertaken by DRSL as per Schedule VII of the Act.

Definitions:

In this Policy, unless the context otherwise requires:

1. "Act" shall mean the Companies Act, 2013, including any modifications, amendments or re-enactment thereof,
2. "Agency" (or Agencies) means any Section 8 Company or a registered trust /society / NGO / institution, performing social services for the benefit of the society and excluding a registered trust/society/ NGO/institution/ Section 8 Company which is formed by the Company.
3. " Budget" shall mean the total budget as approved by the Board of the Company upon the recommendation of the CSR Committee, which is to be utilized for CSR Projects
4. "Board" shall mean the Board of Directors of the Company.
5. "Company" shall mean Dhanalaxmi Roto Spinners Limited., and wherever the context requires, shall signify the Company acting through its Board.
6. "CSR Annual Plan" shall mean the annual plan detailing the CSR projects and expenditure towards the respective projects during any financial year.
7. "CSR expenditure' means all CSR expenditure of the Company as approved by the Board upon recommendation of the CSR committee, including the following:
 - i. Contribution to CSR Projects which shall be implemented and/or executed by the Company;
 - ii. Contribution to CSR Projects (including for corpus as required) which shall be implemented and/or executed by its Trust or Society; and
 - iii. Contribution to CSR Projects (including for corpus as required) which shall be implemented and/or executed by an Agency.
 - iv. Any other contributions covered under Schedule VII.

8. "CSR Projects" or "Projects" means Corporate Social Responsibility projects / activities programs / initiatives, instituted in India, either new or ongoing, and includes, but is not limited to those undertaken by the Board in pursuance of recommendations of the CSR Committee as per the declared CSR Policy of the Company.
9. Projects / activities / programs / initiatives undertaken in pursuance of normal course of business of the Company and projects which benefit only the employees of the Company and their families shall not be considered as CSR Projects.
10. "Financial Year" shall mean the period beginning from 1st April of every year to 31st March of the succeeding year.
11. "Ongoing Project" means a multi-year project undertaken by the Company in fulfillment of CSR obligations 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 the multi-year project but whose duration has been extended beyond one year by the Board based on reasonable justification.
12. Rules shall mean the Companies (Corporate Social Responsibility) Rules 2014, including any re-enactment, modifications or amendments thereof.

Words and expressions used and not defined in the Policy shall have the same meanings respectively assigned to them in the Act and/or Rules.

3. OBJECTIVES

Dhanalaxmi Roto Spinners ('DRSL' or 'the Company') is committed to conduct its business in a socially responsible, ethical and environment friendly manner and to continuously work towards improving quality of life of the communities in and around its operational areas. This Policy provides guidance in achieving the above objective and ensures that the Company operates on a consistent and compliant basis. Our broad objectives include:

- Making a positive impact on society through economic development and reduction of our resource footprint.
- Taking responsibility for the actions of the Company while also encouraging a positive impact through supporting causes concerning the environment, communities and our stakeholders.

4. FOCUS AREAS

In accordance with the requirements under the Companies Act, 2013, DRSL CSR activities, amongst others, will focus on:

1. Eradicating hunger, poverty and malnutrition:

- Provision of food, nutrition supplement, clothes etc for the poor, children and other deprived sections of the society.
- Supporting nutrition in anganwadi centres and building capacities of anganwadi workers to this effect.
- Provision of shelter for homeless.
- Promoting sanitation, making available safe drinking water

2. Promoting Health care including Preventive Health care through awareness programmes, health check-ups, provision of medicine & treatment facilities, providing pre natal & post natal healthcare facilities, prevention of female foeticide through awareness creation, program for preventing diseases and building immunity.

3. Ensuring environmental sustainability and ecological balance through:

- Plantation drives in schools, villages, our manufacturing units & offices/ business premises and other areas in general;
- Reviving endangered plants, promoting agro-forestry;
- Protection of flora & fauna;
- Conservation of natural resources
- Maintaining quality of soil, air & water,
- Adoption of wastelands to cultivate plants;
- Promoting biodiversity;
- Animal welfare and veterinary services.
- Technical support and Knowhow for improving farming and building capacities of small farmers.
- Promoting alternate energy resources.

4. Employment and livelihood enhancing vocational skills and projects including bee keeping, food processing and preservation, vermi- composting and other Life Skill Training and livelihood enhancement projects.

5. Promotion of education especially among children, women, elderly and the differently abled including:

- Non-formal education programmes.
- Supporting schools with infrastructure like benches, toilets, potable water, fans etc.
- Supporting other educational institutions.
- Improving educational facilities in general,
- Supporting children for higher education.

6. Promoting gender equality and empowering women including:

- Adult literacy for women.
- Promoting and providing credit support to women's self-help and joint liability groups.
- Training in vocations pursued by women.
- Setting up homes for women & orphans;
- Setting up old-age homes & other facilities for senior citizens
- Setting up hostels for working and student women, day care centers for kids of working women

7. Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government.

8. 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 govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

9. Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government;

10. 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).

11. Rural Development Projects,

12. Slum area development.

13. Other Activities:

- Promotion of Sports with special focus on training for rural sports, nationally recognized sports, Paralympic sports, Olympic sports.
- Welfare for differently disabled persons
- Setting up public libraries
- Reducing inequalities faced by the socially and economically backward groups
- Protection of national heritage, art, culture and handicraft; Restoration of Buildings & sites of historical importance & works of art.
- Welfare of armed forces personnel, war widows and their dependents.
- Disaster management, including relief, rehabilitation and reconstruction activities.
- Such other activities as may be notified by the relevant Authority under Schedule VII of the Companies Act, 2013.

14. Incidental Activities

- Employing people and incurring other costs to carry out aforesaid activities.
- Such other activities as the Board may consider being appropriate.

5. LOCATION OF CSR EFFORTS

The CSR committee will exercise the discretion to select location/s in any urban or rural geographical areas across India for its CSR initiatives through prioritization based on: developmental needs, relevance of issues, feasibility of project/s, accessibility, ease of implementation, potential for acceptance and adoption of the initiative by local communities.

6. GOVERNANCE

In compliance with the requirements of Section 135 of the Act, the Company has constituted a robust and transparent governance structure to oversee the implementation of its CSR Policy.

a) Board-level CSR Committee

At DRSL, the CSR governance structure will be headed by its Board Level CSR Committee which will be ultimately responsible for the CSR projects undertaken. The Committee will report to the Board of Directors of DRSL.

b) Present Constitution of CSR Committee:

The CSR Committee of the Board of Directors comprise the following Members:

- Mr. Rajkumar Inani - Chairman of the Committee
- Mr. Narayan Inani - Member of the committee
- Mr. K.N. Prasad - Member of the committee

c) Responsibilities of the CSR Committee

The responsibilities of the CSR Committee include:

- Formulate and update the CSR Policy to the Board of Directors for approval.
- Suggest areas of intervention to the Board of Directors.
- Approve projects that are in line with the CSR Policy.
- Formulate, review and align monitoring mechanisms to track the progress of each project.
- Recommending the amount of expenditure for the CSR activities to the Board of Directors for approval,
- Formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the modalities of utilization of the CSR funds and implementation of schedules for the projects or programmes, monitoring and reporting mechanism for the projects or programmes and details of need and impact
- Assessment 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.

d) Role of the Board of Directors:

The roles and responsibilities of the Board of Directors towards CSR shall include:

- Provide recommendations and approval for the annual action plan formulated and presented by the CSR Committee for spending of the prescribed CSR budget.
- Alter the recommended annual action plan at any time during the financial year, if required, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect
- Ensure that the Company spends, in every financial year, at least 2% of the average net profits made during the three immediately preceding financial years, in pursuance, of its CSR Policy.
- Ensure that the Company, treats the CSR Spends ie. CSR surplus, excess expenditure and unspent CSR funds as per the modalities prescribed in the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021,
- Specify in its Report the reasons for not spending the amount if the Company fails to spend such amount.

7. MONITORING

The planned outcomes will be regularly monitored by the in-house team, supported by experts, through a combination of on-site visits, local stakeholder discussions for feedback and suitable reporting documentation.

8. CSR REPORTING:

Impact assessment, if and when mandated, will be undertaken by an independent agency and such impact assessment report shall be placed before the Board and annexed to the annual report of CSR.

Company will communicate CSR related information including efforts, achievements etc. to stakeholders through The Annual Report on CSR Activities, which forms part of Company's Annual Report.

9. DISPLAY OF CSR ACTIVITIES:

The composition of CSR Committee, and CSR Policy and Projects approved by the Board will be displayed on the company's website, for public access.

10. AMENDMENTS

The Board of Directors, either on its own or as per the recommendations of CSR Committee, can amend this Policy, as and when required. The decision of the Board of Directors on all matters, relating to this Policy, shall be final and binding upon all concerned, This Policy is subject to continuous review and updates as required from time to time.
