

CORPORATE SOCIAL RESPONSIBILITY POLICY

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CSR Policy:

Corporate Social Responsibility (CSR) Policy of Sree Satyanarayana Spinning Mills Ltd:

Preamble:

Corporate Social Responsibility is strongly connected with the principles of sustainability; an organisation should make decisions based not only on financial factors, but also on the social and environmental consequences. Therefore, it is the core corporate responsibility of Sree Satyanarayana Spinning Mills Ltd to focus on various areas of corporate sustainability that impact the environment, people and their health and society at large and to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of all its stakeholders.

Sree Satyanarayana Spinning Mills Ltd recognises that its business activities have wide impact on the society in which it operates, and therefore an effective practice of CSR Policy is required giving due consideration to the interests of all its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities, other organisations and Government.

As per the provisions of Section 135 of the newly enacted Companies Act, 2013, every company having a net worth of Rs.500 Crores or more or turnover of Rs.1,000 Crores or more or a net profit of Rs.5 Crores or more during any Financial Year, is required to constitute a Corporate Social Responsibility (CSR) Committee consisting of at least 3 Directors out of whom 1 should be an Independent Director.

Accordingly Board of Directors passed Resolution by Circulation on 14th November, 2018 and reconstituted CSR Committee comprising of the following Directors.

1. Sri E.Sathyanarayana, Member
2. Sri S.Parvatha Rao, Member
3. Sri A. Dharma Raju, Member

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CSR Policy consists of 3 sections:

- (a) CSR activities to be taken up
- (b) Amount of expenditure to be incurred and
- (c) Monitoring of CSR activities from time to time.

a. CSR activities to be taken up:

Sree Satyanarayana Spinning Mills Ltd's policy is towards achievement of CSR objectives by undertaking any one or more of the following activities to be in alignment with Schedule-VII of the Companies Act, 2013 either on its own or through any Trust / Society or other recognised agency:

- ❖ To eradicate or aid in eradicating hunger, poverty and mal-nutrition by providing noon-meals, clothes to poor children in the vicinity of premises of the Company and in the locality in which it operates or any other area as may be deemed appropriate by the Board
- ❖ To promote or aid in promoting health care by providing free medical aid, hospitalisation, ambulance and such other facilities to poor people in the vicinity of premises of the Company and in the locality in which it operates or any other area as may be deemed appropriate by the Board
- ❖ To promote or aid in promoting preventive health care and sanitation by providing safe drinking water facilities, constructing toilets and bathrooms, in the vicinity of premises of the Company and in the locality in which it operates or any other area as may be deemed appropriate by the Board
- ❖ To promote or aid in promoting education including special education and employment enhancing vocational skills especially among children, women, elderly and differently abled and livelihood enhancement projects by constructing schools, colleges and by providing technical skills through practical oriented classes and undertaking employment enabled projects
- ❖ To promote or aid in promoting gender equality by focusing on educating the girl child and the under-privileged by providing appropriate infrastructure and grooming them as future value creators

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- ❖ To empower or aid in empowering women by setting up homes and hospitals for women and orphans, setting up of old age homes, day care centers, and such other facilities for senior women citizen and undertake measures for reducing inequalities faced by socially and economically backward groups
- ❖ To ensure environmental sustainability and ecological balance by planting sapplings, developing parks etc., in the vicinity of premises of the Company and in the locality in which it operates or any other area as may be deemed appropriate by the Board
- ❖ To protect flora and fauna, by undertaking animal welfare, and conserving agro-forestry through afforestation
- ❖ To ensure conservation of natural resources and maintaining of quality of soil, air and water by reducing water consumption of Company Plant(s) and taking-up rain water harvesting projects and also by using environment friendly and safe processes in production at its Plant(s)
- ❖ To protect national heritage, art and culture including restoration of buildings and sites of historical importance and works of art by setting up public libraries, promoting and developing traditional arts and handicrafts
- ❖ To undertake measures for the benefit of armed forces veterans, war widows and their dependants
- ❖ To undertake training to promote rural sports, nationally recognised sports, para-olympic sports and Olympic sports
- ❖ To contribute to the Prime Minister's National Relief Fund or any other fund set up by the Central Government / State Government for socio economic development and relief and funds for welfare of the scheduled castes, scheduled tribes, other backward classes, minorities and women
- ❖ To contribute funds to technology incubators located within academic institutions which are approved by the Central Govt.

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- ❖ To undertake or aid in undertaking rural development projects, Social Business Projects and any other allied Projects.
- ❖ To make contribution to any recognised Trust/ Society/ Institute which has the object of carrying on any one of the above activities.
- ❖ To undertake any other activity which may be specified by the Central Government or State Government in this regard from time to time and the same be placed before the Board for its information and approval.
- ❖ The Company shall have an option to carry on any of the above activities either on its own or through recognised Trust / Society / Institution.

b. Amount of expenditure to be incurred:

As per the provisions of Section 135(5) of the Companies Act, 2013, company should spend in every Financial Year at least 2% of the average net profits of the company made during the three immediately preceding Financial Years, in pursuance of its Corporate Social Responsibility Policy and the company shall give preference to the local area and areas around it where it operates or any other permissible location for spending the amount earmarked for Corporate Social Responsibility activities.

Accordingly, for achieving its CSR objectives through implementation of meaningful and sustainable CSR programmes, Sree Satyanarayana Spinning Mills Ltd shall allocate at least 2% of its average Net Profits calculated as per Section 198 of the Companies Act, 2013, as its Annual CSR Budget in each Financial Year.

From the Annual CSR Budget allocation, a provision will be made towards the expenditure to be incurred on identified areas, for undertaking CSR activities on a year on year basis.

Allocation of the Annual Budget for CSR activities in any given year shall be as per the provisions of the Companies Act, 2013 and rules made there under as amended from time to time. Any unspent / unutilised CSR allocation of a particular year, will be carried forward to the next year, i.e., the CSR budget will be non-lapsable in nature.

c. Monitoring CSR activities from time to time:

As required by the provisions of Section 135(3)(c) of the Companies Act, 2013 the CSR Committee constituted above shall monitor the CSR policy of the Company from time to

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time and recommend any changes which are required to be made in the CSR Policy due to revision or amendment in accordance with the guidelines as may be issued by the Government from time to time.

Corporate Social Responsibility Committee or the Board shall have the right to make necessary modifications in this Policy as may be deemed appropriate or as required by any statute from time to time.

This CSR Policy formulated at the CSR Committee meeting held on 15th November, 2018 be recommended to the Board for its approval.

Recommended

(S.PARVATHARAO)
Chairman of the CSR Committee Meeting

Approved

(P.NARENDRANATH CHOWDARY)
Chairman of the Board of Directors.