

SRI SHYAM FASHION TEXTILES PRIVATE LIMITED

Corporate Social Responsibility Policy Document

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1. BACKGROUND

Corporate Social Responsibility is a company's sense of responsibility towards the society and environment in which it operates. It is the continuing commitment by business to behave ethically and contribute to economic development of the society at large and building capacity for sustainable livelihoods.

This Policy shall apply to all Corporate Social Responsibility ("CSR") initiatives and activities to be undertaken by the Company.

The CSR Policy shall operate as the Corporate Social Responsibility policy of the Company for the purposes of Section 135 of the Companies Act, 2013 and the rules made thereunder.

2. CSR COMMITTEE

Keeping in line with Section 135 of Companies Act, 2013, the Board of Directors of the Company shall form a Corporate Social Responsibility Committee (hereinafter referred to as "CSR Committee").

The CSR Policy and programs shall be implemented, managed and supervised by The CSR Committee which shall comprise of at least such number of directors as is mandatorily required by applicable laws.

The CSR Committee of the Company consist 2 directors. The Composition of CSR Committee, as appointed by Board of Directors of the Company, is as under :

- a. Mr. Suresh Kumar Jalan,
- b. Mr. Vaibhav Jalan

3. ROLE AND RESPONSIBILITY OF CSR COMMITTEE

The Company's CSR projects and programmes shall be overseen by a separately designated CSR Committee of the Board provided, however, that so long as the Board consists of three directors, such CSR Committee shall consists of two of them (hereinafter, the "Committee"). The CSR Committee will play the following role in fulfilling the company's CSR objectives:

- Formulation and review of this CSR Policy indicating the activities to be undertaken by the Company towards CSR initiatives;
- Recommendation of the amount of expenditure to be incurred on the CSR activities; and
- Formulation of a transparent monitoring mechanism for ensuring implementation of the projects/ programmes/ activities proposed to be undertaken by the ensuring implementation of the amount spent by it towards CSR activities.
- Monitor and implement this Policy from time to time.
- Annually report to the Board, the status of the CSR activities and contributions made by the Company.
- Any other requirements mandate under the Act and Rules issued thereto.

4. OBJECTIVES

In alignment with vision of the Company, the Company, through its CSR initiatives, will continue to strive for economic development that positively impacts the society at large with minimal resources.

The main objective of this CSR Policy is to :

- Establish a guideline for compliance with the provisions of the Regulations to dedicate a percentage of Company's profits for CSR activities;
- ensure the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting;

- directly or indirectly take up programmes that benefit the communities in and around its work centers and results, over a period of time, in enhancing the quality of life and economic well-being of the local populace;
- generate through its CSR initiatives, a community goodwill for the Company and help reinforce a positive and socially responsible image of the Company as a corporate entity;
- consult with local communities to identify effective and culturally appropriate development goals;
- partner with credible organisations like trusts, foundations etc. including non government organisations.

This Policy specifies the projects and programmes that can be undertaken, provides a list of CSR projects/ programmes in terms of the Schedule VII to the Companies Act, 2013, The scope of the Policy has been kept as wide as possible, so as to allow the Company to respond to different situations and challenges appropriately and flexibly, subjects to the activities enumerated in Schedule VII of the Companies Act, 2013. However, no contribution will be made for any activities undertaken outside India.

5. FINANCIAL OUTLAY OF CSR ACTIVITIES

As per Section 135 of the Companies Act, 2013 and rules made there under, the Company will make available as and when requested for annual CSR activities, an amount equal to 2% of the average Net Profits of the Company made during the three immediately preceding financial year.

Every year, the Company shall with the approval of its Board of Directors make a budgetary allocation for CSR activities/ projects for the year. The budgetary allocation will be based on the profitability of the Company and the requirements of applicable laws.

Average net profits mentioned hereinabove means, net profit before tax as per the books of accounts of the Company as computed under section 198 of the Act.

The Company expects to spend the budgeted amount allocated for CSR activities/ projects planned for each financial year, within that year. If for any reason, the budget of a year remains unutilised, the same may be carried forward to the next year for expenditure on CSR activities, which were planned for implementation in the previous year, but could not be completed due to some reason. The CSR Committee and the Board of Directors will disclose the reasons for not being able to spend the entire budgeted amount on the CSR activities as planned for that year in the Board Report of the Company.

Any surplus arising out of the CSR activities, projects or programs shall not form part of the business profits of the Company. Any income arising from the contribution received and surplus arising out of the CSR activities will be used for CSR only.

6. CSR ACTIVITIES / PROJECTS

In terms of Schedule VII to the Companies Act, 2013, the Company shall undertake the CSR activities in the following areas:

- eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- 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;
- 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;
- 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 arts and handicrafts:

- measures for the benefit of armed forces veterans, war widows and their dependents;
- training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
- contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Caste, the Scheduled Tribes, other backward classes, minorities and women;
- contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- rural development projects.

The Company would support, partner and assist one or more than one of the CSR activities mentioned above not falling within the normal course of business of the Company, further such activities shall be undertaken only with the recommendation of the CSR committee and approval of the Board.

However, the Members of the CSR Committee of the Company shall be authorised to consider other CSR activities that are not falling under the above areas provided such activities are not undertaken in the normal course of business and further that preference is given to local areas and areas around which the Company operates.

7. PROCESS FOR UNDERTAKING CSR ACTIVITIES / PROJECTS

The CSR activities shall be undertaken either directly or through one or more registered trusts or societies with an established track record of three years in undertaking similar programs or projects.

The time period/duration over which a particular programme will be spread, will depend on its nature, extent of coverage and the intended impact of the program.

The Company may enter into partnerships with the government, civil society and communities to create multiplier effect of its social projects.

The contribution would be for a particular projects or projects identified by the Company. The Company whilst making any contribution may specify the activities for which it is made and the said amount and any interest or other income earned on such amount shall not form part of the business profits of the Company and shall be utilised towards the said activities only.

8. MONITORING

The Company recognises that monitoring is critical for assessment of the progress as regards timeliness, budgetary expenditure and achievement of targets. Monitoring will be done in project mode with continuous feedback mechanism, and recourse always available for mid-course correction in implementation, whenever required. The performance of the Company's CSR activities would be monitored on the basis of their achievement of annual targets and the utilization of their annual budgets for the activities planned and the targets set for each year. Implementation and monitoring of the CSR activities will be overseen by the CSR Committee.

If the projects are being implemented by external agencies, the Company may in consultation with CSR Committee designate special executives for this purpose.

9. GENERAL

The Committee shall review this CSR Policy on a periodic basis and shall update it as necessary or appropriate (subject to approval by the Board) to ensure that it reflects CSR Requirements as well as the current interests of the Company and relevant stakeholders.

The Company shall also upload this Policy on its website www.shyamfashion.com Further, a detailed status report on the CSR activities carried out by the Company would be disclosed every year as a part of the Directors' Report in the Annual Report.

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In case of any doubt with regard to any provision of this CSR Policy and also in respect of matters not covered herein, a reference should be made to the CSR Committee. In all such matters, the interpretation and decision of the CSR Committee shall be final.

This Policy is subject to continuous review and updates as may be required from time to time.
