



CORPORATE SOCIAL RESPONSIBILITY POLICY

Introduction

Corporate Social Responsibility(CSR)at our Company goes beyond business and extends to the implementation of socially relevant activities for the benefit of society at large.

This Policy is in keeping with the requirements of the Companies Act 2013 ("the Act") and Companies(Corporate Social Responsibility Policy) Rules 2014.

This policy shall be effective from 1st April, 2014.

Vision and Policy Statement

Corporate Social Responsibility (CSR) is the Company's contribution to social and economic development of the local community in which we operate and to society at large. We commit to spend a minimum of 2% of the average net profits for the preceding three financial years on CSR activities. The Board of Directors of the Company through its CSR Committee will plan and monitor the expenditure of CSR activities.

The CSR Committee will annually recommend the CSR programmes and projects to the Board for its approval. The activities undertaken in the normal course of business will not be a part of CSR activities.

Applicability

This CSR Policy has been formulated in consonance with Section 135 of the Act, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules")notified by the Ministry of Corporate Affairs, Government of India. This Policy shall apply to all CSR projects / programmes undertaken by the Company in India as per Schedule VII of the Act, for the time being in force. This Policy will be applicable to Amarjothi Spinning Mills Limited.

Definitions

- Board means Board of Directors of the Company.
- Corporate Social Responsibility or CSR means and includes but is not limited to:-
 - i) Projects or programs relating to activities specified in Schedule VII to the Companies Act, 2013; or
 - ii) Projects or programs relating to activities undertaken by the Company in pursuance of the recommendations of the CSR Committee and approved by the Board as per this policy.
- CSR Committee means Corporate Social Responsibility Committee constituted by the Board pursuant to Section 135 of the Companies Act, 2013
- Net Profit means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Companies Act, 2013, but shall not include the following, namely:-
 - i) Any profit arising from any overseas branch or branches of the Company, whether operated as a separate Company or otherwise, and
 - ii) Any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Companies Act, 2013. Words and expressions used in this policy and not defined herein but defined under the Companies Act, 2013 shall have the meanings respectively assigned to them therein.



Constitution, Composition and activities of Corporate Social Responsibility Committee:

- The CSR initiatives / activities of the Company will be identified and initiated by the CSR Committee comprising of 3(three) or more members out of which at least one director shall be an independent director.
- The members of the CSR Committee shall elect one of them as the Chairman of the Committee. The CSR Committee shall recommend to the Board the amount of expenditure to be incurred by the Company on CSR activities and the Board will ensure that the activities as are included in the CSR Policy are undertaken by the Company subject to and in accordance with the provisions of Section 135 of the Companies Act, 2013.
- The CSR Committee may delegate its responsibility to any senior or key managerial person as and when deemed fit. • The composition of CSR Committee shall be disclosed in the Board's report.

CSR activities:

The Company may undertake any of the following activities as its CSR activities:

- (i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- (ii) Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- (iii) 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;
- (iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
- (v) 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;
- (vi) Measures for the benefit of armed forces veterans, war widows and their dependants;
- (vii) Training to promote rural sport, nationally recognised sports, paralympic sports and Olympic sports;
- (viii) 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 Castes, the Scheduled Tribes, other backward classes, minorities and women;
- (ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- (x) Rural development projects.
- (xi) Such other matters as may be prescribed under applicable statute;
- (xii) Such other activity as may be thought fit by the CSR Committee and approved by the Board.

Amount of expenditure to be incurred on the CSR activities:

• The Company will endeavour to spend the following amounts for CSR activities in pursuance of this Policy:

- i) In every financial year, at least two percent of the "average net profits" of the Company made during the three immediately preceding financial years. The "average net profits" shall be calculated in accordance with the provisions of section 198 of the Companies Act, 2013 and the rules made there under from time to time.
- ii) Any income arising from the activities mentioned above
- iii) Surplus arising out of CSR activities.



- iv) Contribution of any amount directly or indirectly to any political party under Section 182 of the Companies Act, 2013, shall not be considered as CSR activity
- v) Amount spent on CSR activities shall include all expenditure including contribution to corpus for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but will not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act, 2013
- vi) Any surplus arising out of the CSR activity will not be part of the business profits of the Company. The CSR Committee will approve the expenditure on CSR activities within monetary limits sanctioned by the Board for such activities.

CSR Committee

The Company has constituted Corporate Social Responsibility Committee (the "CSR Committee") in line with section 135 of the Companies Act, 2013 (the "Act"). The CSR Committee consists of following members of the Board:

- Sri.M.Moorthi– Chairperson
- Sri. R. Jaichander – Member
- Smt.Manonmani Sivasamy – Member – till 16.03.2026
- Ms.Krishnan Kaviyas – Member – from 16.03.2026

The CSR Committee of the Board shall be responsible for:

- Review of CSR activities in the Company.
- Formulation of CSR Policy.
- Monitoring of implementation of CSR Policy.
- Recommend to the Board, modifications to CSR Policy as and when required.
- Appraise to the Board the CSR expenditure done during the year.

CSR Team:

Dedicated CSR team shall be constituted from among the employees at Amarjothi, for implementing the CSR Policy and shall work under the guidance of CSR Committee and will be mainly responsible for:

- Execution of CSR Policy.
- Identify projects and key initiatives pursuant to CSR Policy.
- Facilitating allocation of funds to the projects as identified for CSR activities.
- Monitoring CSR Projects to establish effectiveness of CSR efforts and appraise the same to CSR Committee.
- Compilation of information & preparation of Annual Reports on CSR activities and presenting the same to CSR Committee.
- Any other activity necessary to ensure achievement of CSR objectives.

Implementation Process**CSR Contributions:**

The Company will endeavor to contribute and spend at least 2% of the average net profits of the Company made during the three immediately preceding financial years or such amount as may be recommended by the CSR Committee from time to time in pursuance of this Policy.

Annual Action Plan:

The CSR Committee shall formulate and recommend to the Board, an Annual Action Plan in pursuance of the CSR policy, which shall include the following:



- The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act
- The manner of execution of such projects or programmes
- The modalities of utilisation of funds and implementation schedules for the projects or programmes
- Monitoring and reporting mechanism for the projects or programmes
- Details of need and impact assessment, if any, for the projects undertaken by the company

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

Compliance, Monitoring and Reporting

Compliance

CSR Team will plan, implement, monitor and manage all CSR projects & activities for Ugam and will work closely with the CSR Committees of the Board of the Group companies.

The CSR Team will formulate implementation plans for the projects specifying the following:

- Activities to be undertaken.
- Budgets proposed.
- Time frame for implementation.
- Responsibilities and authorities for implementation.
- Results expected to be achieved post implementation.

Monitoring

The CSR Team will monitor the implementation and progress of the approved projects through appropriate mechanisms such as site visits, review meetings and progress reports etc. Mechanisms to track data and monitor projects will be established to ensure the transparency and efficiency of the implementation process. The projects will be evaluated against the milestones defined in the implementation plan of the project.

Reporting

The CSR Committee of the Board, based on reports presented by the CSR Team, will annually publish report on the CSR projects as a part of the Director's report. The report will disclose information in the format as prescribed by the Section 135 of the Companies Act 2013. The CSR Committee shall also submit a responsibility statement to the Board that the implementation and monitoring of the CSR Policy is in compliance with the approved CSR Policy of the Company.

The CSR Policy on being approved by the Board shall be displayed on the website of the Company and any modifications carried out from time to time shall also be updated on the website of the Company respectively.

Amended on 16.03.2026.