

LOYAL TEXTILE MILLS LIMITED

Corporate Social Responsibility (CSR) Policy

1. INTRODUCTION:

As per the notification issued by the Ministry of Corporate Affairs dated 27.02.2014 u/s 135 of Companies Act, 2013, the company has introduced this policy for the uplifting of the economically under privileged society and downtrodden, thereby wiping out the sufferings of the humanity and mankind.

Loyal Textile Mills Ltd (LTM) is threaded by a unified code of values; commitment to excellence, quality and the willingness to give back to the society. LTM believes it is not enough just to run the business but want to give something back to the community and support the society as a whole to the extent possible. LTM has a noble thought and vision to create a better Society and better Country by empowering downtrodden. We believe that to succeed, an organization must maintain highest standards of corporate behavior towards its employees, consumers and societies in which it operates.

LTM's CSR Policy is to enhance the value of Mankind by empowerment rather than on creating dependence on others for livelihood. Try to repay to the society in all possible manner so as to enable the marginalized section are made capable of deriving the fruits that were once meant for the elevated section of the society. The Company earns and spends a part of it to pay back to the society through its various activities which fall in line with the Schedule VII of the Companies Act, 2013.

2. CSR POLICY

The very essence of the objective of CSR is inherited in the way our promoters do the business. CSR is not new to us and have been practiced ever since we started setting up the main business. Be it environment friendly measures, promotion of education, empowering downtrodden, etc.

3. CSR COMMITTEE:

Pursuant to the Provisions of section 135 of the Companies Act 2013, the Board of Directors of the Company has constituted a Corporate Social Responsibility Committee. The

Board will re-constitute the Committee as and when it deems fit and the Committee will report to the Board of Directors.

4. Responsibilities:

The CSR Committee has the following responsibilities:

- (a) To formulate and recommend to the Board, a CSR Policy;
- (b) To approve the Projects/Programs to be implemented under CSR policy;
- (c) To recommend the amount of CSR Expenditure;
- (d) To recommend modalities of execution of Projects/Programs & implementation;
- (e) To monitor the Process of such Projects/Programs from time to time;
- (f) Any other matter considered expedient by the members relating to CSR;

The Board of Directors shall, after taking into account the recommendations made by the CSR committee, approve the CSR policy for the Company and disclose its contents in their report and also publish the details on the Company's website in such manner laid down in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

5. Activities:

The CSR activities we intend to undertake are those permissible activities under Schedule VII of the Companies Act, 2013 and as below:

- a) Eradicating hunger, poverty and malnutrition, promoting preventive health care including preventive health care and sanitation and making available safe drinking water;
- b) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- c) Promoting gender equality, empowering women, setting up homes, and hostels for women and orphans for reducing inequalities faced by socially and economically backward groups;
- d) Ensuring environment sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
- e) Protection of national heritage, art and culture including restoration of building and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;

- f) Measures for the benefit of armed forces veterans, war widows and their dependents;
- g) Training to promote rural sports
- h) Contribution to the Prime Minister's 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;
- i) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- j) Rural Development projects
- k) Slum area developments
- l) Such other activities as the Board may consider deems fit and permitted under the Act.

6. Modalities and implementation Schedule for execution of Projects and Programmes or CSR Activities

The Company will undertake its CSR activities either directly on its own or by contributing through a Registered Trust or through a Registered Society or establish another Company under Section 8 of the Companies Act, 2013 or collaborate with other entities

The implementation schedule for the CSR activities will be dependent on the availability of eligible projects. The specific activities to be undertaken will be placed before the CSR Committee of the Board for prior approval and periodical updates will be submitted to the Committee.

The Company will give preference to the local area(s) in and around its offices in India, for spending the amount earmarked for CSR activities.

The Company will endeavor to spend in every Financial Year, at least 2% of the average net profits of the Company during the three immediately preceding Financial Years for its CSR activities.

CSR expenditure will include all expenditures, either in cash or kind, direct and indirect, incurred by the Company on CSR Programmes undertaken in accordance with the approved CSR activities. Moreover, any surplus arising from any CSR Programmes shall be used only for CSR and will be carried forward to the next year spending. Accordingly, any income arising from CSR Programmes will be netted off from the CSR expenditure and such net amount will be reported as CSR expenditure.

7. MONITORING OF CSR PROJECTS

The Management shall submit a Report to the CSR Committee annually on the end use of contributions made by the Company for its CSR activities.

8. CSR REPORTING

The company shall continue to comply with the reporting requirements, as indicated in the Listing Agreement, Companies Act, 2013, Rules, Companies (CSR) Policy Rules 2014, and all other applicable provisions such as Annual reporting in the Board's Report, Display of CSR Policy in Company's web-site etc.,