



DHANLAXMI COTEX LIMITED

Regd. Off: C J House, 2nd Floor, 285 Princess Street, Mumbai - 400002

CIN: L51100MH1987PLC042280 | Phone: 022-4976 4268 | Email: dcotex1987@gmail.com | Web: www.dcl.net.in

CORPORATE SOCIAL RESPONSIBILITY (“CSR”) POLICY

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1. INTRODUCTION

The objective of Corporate Social Responsibility (CSR) is to benefit the society by improving the quality of individuals, their families and local community at large.

Dhanlaxmi Cotex Limited (hereinafter to be referred as "**the Company**") through its CSR activities intends to participate in the overall development of the society and encourage alignment with Social Development Goals (SDGs) related to gender sensitivity, skill enhancement, entrepreneurship development, research in education, Hygiene & Water etc.

This Policy is effective from **April 01, 2025**, as amended from time to time.

This policy lays down the guidelines and mechanism for undertaking socially useful programs for welfare and sustainable development of the community at large. The Company's CSR policy has been framed in accordance with Section 135 of the Companies Act, 2013 and the rules framed thereunder. This Policy covers all the internal dimensions of the CSR structure and further captures and sets out the process of implementation of the CSR related activities.

2. SCOPE

This Policy shall apply to all the CSR projects undertaken by the Company, whether such project is executed in collaboration with any other company or on its own.

3. DEFINITIONS

(a) "**Act**" means Companies Act, 2013 including any Statutory modification or re-enactment thereof.

(b) "**Board**" means Board of Directors of the Dhanlaxmi Cotex Limited.

(c) "**Corporate Social Responsibility**" (CSR) means the activities undertaken by the Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in the CSR Rules, but shall not include the following, namely:

(i) activities undertaken in pursuance of normal course of business of the Company.

(ii) any activity undertaken by the Company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level.

(iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act.

(iv) activities benefitting employees of the Company as defined in clause (k) of Section 2 of the Code on Wages, 2019 (29 of 2019).



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(v) activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services.

(vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India.

(d) **“CSR Rules”** means the Companies (Corporate Social Responsibility Policy) Rules, 2014.

(e) **“Chairperson”** means Chairperson of CSR Committee, if any.

(f) **“CSR Committee”** means Corporate Social Responsibility Committee constituted by the Board, if any.

(g) **“CSR Policy/ Policy”** means Corporate Social Responsibility Policy of Dhanlaxmi Cotex Limited.

(h) **“CSR Activities”** means the activities to be undertaken by Dhanlaxmi Cotex Limited in areas or subject specified in Schedule VII to the Act and specified under this Policy.

(i) **“CSR Expenditure”** shall include all expenditures including contribution to the corpus, for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee.

(j) **“Employee”** means employee of Dhanlaxmi Cotex Limited (whether working in India or abroad).

(k) **“Net Profit”** shall have the meaning prescribed to it in the Act.

(l) **“Ongoing Project”** means a multi-year project undertaken by a Company in fulfilment of its CSR obligation 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 a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.

4. APPROACH

The approach of CSR will be revolving around following principles- Honesty, focus upon impact, Strengthening the relationship between communities and companies, Employee engagement, Innovation, Team building, Transparency and accountability with a holistic approach for development.

5. CSR ACTIVITIES

The Company may undertake / fund projects, programs or activities of the following nature and also undertake such other activities as may be approved by the Board as per Schedule VII of the Companies Act, 2013.



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5.1 Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.

5.2 Promoting education, including special education and employment, enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

5.3 Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.

5.4 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 including contribution to the Clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga.

5.5 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 art and handicrafts.

5.6 Measures for the benefit of Armed Force veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Force (CPMF) veterans, and their dependents including widows.

5.7 Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympics sports.

5.8 Contribution to the Prime Minister's National Relief Fund or Prime Minister's Central Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Caste, Scheduled Tribes, other backward classes, minorities and women.

5.9 (a) Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and

(b) 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).



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5.10 Rural development projects.

5.11 Slum area development.

5.12 Disaster management, including relief, rehabilitation and reconstruction activities.

6. PROJECT SELECTION AND IMPLEMENTATION

6.1 Project Selection

Projects shall be selected on the basis of need identification studies, internal need assessment or receipt of proposals. Projects shall be evaluated against goals and milestones defined for the project together with the implementing agency (if any).

6.2 Project Implementation

6.2.1 The Board shall ensure that the CSR Activities are undertaken by the Company itself or through any of the following implementing agencies –

(i) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the Company, either singly or along with any other company; or

(ii) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or

(iii) any entity established under an Act of Parliament or a State legislature; or

(vii) company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

6.2.3 The Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR Committees of respective companies (wherever Committees are been constituted as per the provisions of the Act read with CSR Rules) are in a position to report separately on such projects or programmes in accordance with the CSR Rules.

6.2.4 In the event an external agency is engaged for the CSR initiatives of the Company, the following broad parameters shall be considered while appointing any external agency:

- Legally authorized to undertake CSR activities.
- Agency having a track record of at least at least three years of working in CSR areas.
- duly registered under Sections 80G and 12A of the Income Tax Act.
- Has obtained a Unique CSR Registration Number from the Ministry of Corporate Affairs.



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- The agency shall have the requisite systems and processes in place for monitoring and reporting.
- Such other conditions as may be decided by the CSR Committee from time to time.

6.2.5 The Board shall ensure that the Administrative Overheads shall not exceed such percentage of the total CSR expenditure of the Company as prescribed and notified in the Act read with CSR Rules.

7. FINANCIAL OUTLAY FOR CSR ACTIVITIES

Every year, upon the recommendation of the CSR Committee, the Board will make a budgetary allocation for CSR activities/projects for the year. The budgetary allocation will be based on the CSR obligation of the Company for that financial year arrived in the manner provided under the Act.

The Company shall strive to spend the budgeted amount allocated for CSR activities/projects planned for each financial year, within that year. If for any reason, any of the provisioned annual budget remains unutilized, the same will not lapse and will be treated in the following manner:

I. In case of an Ongoing Project, the unspent amount shall be transferred to an account i.e., 'Unspent CSR Account' within 30 days of the end of the financial year, or within such other period as may be specified in the Act or CSR Rules from time to time, and such sum shall be spent during the next three financial years from the date of transfer, in the manner prescribed under the Act read with CSR Rules, failing which, the Company shall treat the unspent amount in the manner prescribed under the Act read with CSR Rules.

II. In case of activities/projects other than Ongoing Project, the same shall be transferred to funds specified in Schedule VII of the Act, or any such other fund(s) as may be specified under the Act or CSR Rules, within 6 months of the close of the financial year or within such other time as may be specified from time to time.

Any surplus arising out of the CSR activities, projects, or programs shall not form part of the business profits of the Company and shall be treated in the following manner:

- a. ploughed back into the same project; or
- b. shall be transferred to the Unspent CSR Account (if any) opened by the Company, from which the said amount shall be spent in pursuance of CSR policy and annual action plan of the Company; or
- c. such surplus will be transferred to a Fund specified in Schedule VII of the Act, within six months of the expiry of the financial year.

The Board may during any financial year, approve to undertake CSR expenditure beyond the CSR obligation for that particular financial year. Such excess CSR spend shall be carried forward for set off against the CSR obligation of the Company for the next three consecutive



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financial years in the manner decided by the Board in compliance with the provisions of the Act and the Rules.

8. REPORTING AND MONITORING

8.1 The Board of the Company or its CSR Committee shall monitor the implementation of the CSR projects as required under the Companies Act 2013 and examine whether the funds provided by the Company are utilized in accordance with the approved plans and report to the Board of Directors or its committee.

8.2 In case of ongoing project, the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible period.

8.3 The annual action plan of the Company would include the manner of execution of CSR projects or programmes to be undertaken by the Company, the modalities of utilization of funds and implementation schedules for the projects or programmes, and monitoring and reporting mechanism for the projects or programmes and details of need & impact assessment, if any, for the projects undertaken by the Company.

8.4 If for any reason, the Company is unable to utilize the entire funds provided by the Company, such. unutilized funds shall be treated in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as may be amended from time to time.

9. ANNUAL ACTION PLAN

The annual action plan includes the following broad parameters or such other matters as may be required by the Act or Board:

I. the list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act.

II. the manner of execution of such projects or programs as specified in the CSR Rules.

III. the modalities of utilization of funds and implementation schedules for the projects or programs.

IV. monitoring and reporting mechanisms for the projects or programs; and

V. Details of need and impact assessment, if any, for the projects undertaken by the Company.

Provided that the 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.



10. ROLE OF THE CSR COMMITTEE, IF ANY, WITH RESPECT TO UNDERTAKING THE CSR ACTIVITIES

The CSR Committee of the Company shall:

- (i) formulate / make changes from time to time and recommend to the Board for its approval, a CSR Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII to the Act.
- (ii) recommend the amount of expenditure to be incurred on the CSR activities to be undertaken by the Company.
- (iii) monitor the CSR Policy of the Company from time to time.
- (iv) formulate and recommend to the Board for its approval, an Annual Action Plan in pursuance of this CSR policy; and
- (v) make recommendation to the Board for alteration of Annual Action Plan if required at any time during the financial year based on reasonable justification.

Where the amount to be spent by the Company under sub-section (5) of section 135 does not exceed fifty lakh rupees, the Board is not required to constitute the CSR Committee of the Company and in such situation, the functions of such Committee, as required under that section read with the CSR Rules, will be discharged by the Board.

11. ROLE OF THE BOARD WITH RESPECT TO UNDERTAKING THE CSR ACTIVITIES

The Board of the Company shall:

- i. constitute a CSR Committee of the Board, if applicable and required under the Act.
- ii. disclose the composition of the CSR Committee in the Board's report, if any.
- iii. approve the CSR Policy for the company and disclose contents of such Policy in its report and also place it on the company's website, if any.
- iv. ensure that the activities as are included in CSR Policy of the company are undertaken by the Company.
- v. ensure that the Company spends, in every financial year, at least two percent of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of this CSR Policy.
- vi. if the Company fails to spend such amount as specified above, then in its report made under clause (o) of sub-section (3) of section 134 of the Act, specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project referred to in sub-section (6) of section 135 of the Act, transfer such unspent amount to a Fund



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specified in Schedule VII to the Act, within a period of six months of the expiry of the financial year.

vii. if any amount remaining unspent under sub-section (5) of section 135 pursuant to any ongoing project, transfer within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the Company in pursuance of its obligation towards the CSR Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

viii. discharge the functions of the CSR Committee in case it is not required to be constituted or dissolved owing to the amount to be spent by the Company under sub-section (5) of section 135 not exceeding fifty lakh rupees.

ix. satisfy itself that the CSR funds disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.

x. In case of ongoing project, monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period;

xi. approve the Annual Action Plan, as recommended by the CSR Committee, if any.

xii. alter the Annual Action Plan at any time during the financial year, as per the recommendation of its CSR Committee, if any, based on the reasonable justification to that effect.

xiii. ensure that the administrative overheads shall not exceed such percentage of the total CSR expenditure of the Company as prescribed and notified in the Act read with CSR Rules.

xiv. pass a resolution for setting off the CSR amount spent in excess of requirement provided under sub-section (5) of section 135, against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years.

xv. make disclosures in the Board's Report as required under Rule 8 of the CSR Rules.

xvi. undertake impact assessment as required under Rule 8 of the CSR Rules and take note of the impact assessment reports which are mandatorily required to be placed before it; and

xvii. mandatorily disclose the composition of the CSR Committee, if any, and CSR Policy and Projects approved by the Board on website of the Company for public access.



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12. REVIEW AND AMENDMENT OF THE POLICY

The CSR Committee shall review the CSR Policy from time-based on the changing needs and make suitable modifications as may be necessary with the approval of the Board.

In case of any amendment(s), clarification(s), circular(s), etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.