

Corporate Social Responsibility



Our Corporate Social Commitments towards Society

For the Kitex Group, as already communicated reaching out to the under privileged is ingrained into our ethos and part of our heritage. These values transcend business interests and move into grappling with the “quality of Life” challenges that under-served communities face and work towards our Social Commitments to the Society.

The Board of Directors, Management and all the employees subscribe to the philosophy of ‘Compassionate Care’. We believe and act on the philosophy of generosity and compassion, characterized by a willingness to build a better society.

Kitex CSR-Twenty 20 Kizhakkambalam Association

In order to transform Kizhakkambalam Panchayath, the Company continues its CSR activities during this year. The following CSR initiatives at the grass root level undertaken that impacted many lives.

Amount of Kitex support for community services 2015-16

319.70 Lakhs

☞ Refer page 75-76 Annexure D to Directors Report for more details.

Agriculture

Participative and group farming was extended to 1167 acres of farmland (out of the 2233 acres of barren land) with the full co-operation of farmers in and near the Kitex factory. Out of this 480 acres were used for rice farming, 2,10,000 banana plants, 10,000 cocunuts and about 21000 other plants were planted. The farming was also extended to various seasonal vegetable cultivation. About 7,00,000 vegetable plants were distributed under Multi-crops harvesting during year also. More Farm development equipments and other mechanical devices were procured and put into operation for better yield and financial

improvements. A total of Rs. 2.70 crores have been spent cumulative upto this year end.

Drinking water

Continuing our effort in safe drinking water was provided to some of the backward colonies located in and near the Factory premises at Kizhakkambalam. Seven more bore wells were provided in more colonies with provision for water storage tanks the benefit of which is extended to another 1290 families in the target area.

Education

In continuation of our CSR policy, at the beginning of school calendar year 2015 also, the Kitex Group distributed 2300 bags to School children in the backward areas in Ernakulam District covering Nine schools located in Kizhakkambalam with an effort to provide primary education to financially backward students. Your company also spent another Rs. 2.6 lakhs during the year for extending better toilets through renovation in these schools on a priority basis.

Food Security Programme

Your company extended distribution of essential food materials including vegetables at very moderate subsidized prices (which is almost half the market prices) during both Onam and Christmas festival seasons to those poor and needy families. This benefit was extended to about 6000 families in Kizhakkambalam Panchayat area during the full year.

Health Care

Regular Health and Medical Check-up Camps were conducted in which about 5000 families participated. Free medicines were distributed and follow up medical facilities were extended on a regular basis to the needy members. The Company proposes to cover about 6000 poor and needy families under group medical insurance scheme the modalities of which are being worked out.

The company also introduced snacks and tea facility to about 200 patients who visit the Malayidam Thuruth Primary Health Centre at Kizhakkambalam on a daily basis for the full year under review.

**Housing**

During the year the Company introduced a housing scheme named "Ende Vedu Padhathi" for those family who own land but does not have a roof for their house. The company also extended providing hygienic toilets in as many as 225 houses during the year under this scheme.

Health

Continuing with the program of good health to all in Kizhakkambalam, the company extends its ambulance services to all needy on demand at the shortest time. This is basically for patients who has to undertake dialysis on a regular basis in the primary Health Centre. Further free/ subsidized medicines have been distributed to about 92 families with chronic ailments during the year.

As part of health program the company had upto date conducted about 1890 operations and supporting about 9890 patients upto the end of this year.

Infrastructural development.

The company as part of its CSR policy intents to develop the basic infrastructure in and around Kizhakkambalam by broadening the roads, regular upkeep and by providing regular maintenance through regular programs. During the year under review your company undertook repair of main roads, widening of NH ways and a scientific rain water harvesting methods in and around Kizhakkambalam.

The company also took up renovation work of worship places like temple, church and mosque.

For a Social Cause

The Company also volunteered into some of the public agitations which include stoping of some major drinking water projects, drugs usage, delay in road repair work and shutting of Beverages outlets etc against the local panchayath during the year which all culminated into the change in the Panchayath in Dec, 2015.

A new beginning for employment generation

The company continued to extend employment opportunities both direct and indirect to many locals in and around the factory at Kizhakkambalam. The company continued its support for self employment scheme by providing and supporting the entrepreneurs with both financial and non-financial support.

Annexure - D

To Directors' Report

Annual Report on Corporate Social Responsibility (CSR) Activities – 2015-16

(As per Rule 8 (1) of Companies (Corporate Social Responsibility policy) Rules, 2014)

A. Brief outline of the company's CSR policy

For us in the Kitex Group, reaching out to underserved communities is part of our HERITAGE. We believe in the trusteeship concept. This entails transcending business interests and grappling with the "quality of life" challenges that underserved communities face, and working towards making a meaningful difference to them.

Our vision is - "to effectively contribute to the social and economic development of the communities in which we operate. In doing so we intend to build a better, sustainable way of life for the weaker sections of society and raise the country's human development index". **Our Vision converges on Corporate Social Responsibility for Kizhakkambalam, where we dream to make this Panchayath the best in the State among the total 978 Panchayaths.**

Our CSR policy includes:

1. To pursue a corporate strategy that enables realization of the twin goals of shareholder value enhancement and societal value creation in a mutually reinforcing and synergistic manner.
2. To implement Social Investments / CSR programmes primarily in the economic vicinity of your Company's operations with a view to ensuring the long term sustainability of such interventions.
3. To contribute to sustainable development in areas of strategic interest through initiatives designed in a manner that addresses the challenges faced by the Indian society especially in rural India.
4. To collaborate with communities and groups to contribute to the national mission of eradicating poverty and hunger, especially in rural areas, through superior farm and agri-extension practices, soil and moisture conservation and watershed management, conservation and development of forest resources, empowering women economically, supplementing primary education and participating in rural capacity building programmes and such other initiatives.
5. To sustain and continuously improve standards of Environment, Health and Safety through the collective endeavour of your Company and its employees at all levels towards attaining world class standards and support other programmes and initiatives, internal or external, for the prevention of illness and combating of diseases as may be considered appropriate from time to time.

6. To encourage the development of human capital by expanding human capabilities through skills development, vocational training etc. and by promoting excellence in identified cultural fields.

Details of CSR activities under taken in the current year are available in our weblink:///facebook.Twenty20Kizhakkambalam. Further details of Company's CSR policy is available in www.kitexgarments.com/investorcentre/CSRpolicy

B. Composition of the CSR Committee

Kitex Garments Limited has set up Corporate Social Responsibility Committee (CSR Committee) as per the requirement of the Companies Act, 2013. The members of the CSR Committee as on March 31, 2016 are:

- i. Mr. Sabu M. Jacob - Chairman
- ii. Mr. K.L.V. Narayanan - Member
- iii. Mr. Benni Joseph - Member
- iv. Mr. C. P. Philipose - Member

C. Average net profit of the company for last three financial years: ₹9129.10 Lakhs

D. Prescribed CSR Expenditure (two per cent of the amount as in Item C above): ₹ 182.58 Lakhs

E. Details of CSR Spend during the financial year

- i. Total amount spent for the financial year: ₹ 319.70 Lakhs
- ii. Amount Unspent, if any; None.
- iii. Manner in which the amount was spent during the financial year is detailed below.

(Amount in ₹ in lacs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs	Amount outlay (budget) project or Program wise	Amount spent on the projects or programs	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
					Sub Heads		
			(1) Local area or other		(1) Direct expenditure on Projects or Programs		
			(2) Specify the State and district where projects or programs was Undertaken		(2) Overhead		
1	Fogging	Promoting Health	Local Area covered by Kizhakkambalam Panchayat in Ernakulam District in State of Kerala	0.12	0.19 (Direct expenditure on Programs)	0.19	Directly by the Company
2	Food Supply	Eradicating Hunger, Poverty and Malnutrition		16.63	26.58 (Direct expenditure on Programs)	26.58	
3	House construction	Environmental Sustainability		138.51	221.41 (Direct expenditure on Programs)	221.41	
4	Road Development	Environmental Sustainability		37.51	59.96 (Direct expenditure on Programs)	59.96	
5	Water Supply	Making available safe drinking water		7.23	11.56 (Direct expenditure on Programs)	11.56	
Total Spent				200.00	319.70	319.70	

G. In case the company has failed to spend the two percent, of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. Not Applicable. The Company has spent the required amount.

Our Responsibility

The Responsibility Statement of the Corporate Social Responsibility (CSR) Committee of the Board of Directors of the Company, is reproduced below:

'The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.'

April 4, 2016
Kizhakkambalam

Sabu M. Jacob
Managing Director
& Chairman of CSR Committee

Benni Joseph
Member
CSR Committee