

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY:

CSR POLICY AS RECOMMENDED AND ADOPTED WITH THE UNANIMOUS CONSENT OF BOARD MEMBERS OF “KANANI INDUSTRIES LTD.” AT BOARD MEETING HELD ON JANUARY 19, 2015 AT ITS REGISTERED OFFICE AT MUMBAI.

I. PREAMBLE

The concept of Corporate Social Responsibility has gained prominence from all avenues. Organizations have realized that Government alone will not be able to get success in its endeavor to uplift the downtrodden of Society. With the rapidly changing corporate environment, more functional autonomy, operational freedom etc. Company has adopted CSR as a strategic tool for sustainable growth. For *Kanani Industries Ltd* (KIL) in the present context, CSR means not only investment of funds for Social Activity but also Integration of Business processes with Social processes.

Even much before the issue of CSR became global concern; SIL was aware of its Corporate Social Responsibility and was fulfilling the aspiration of the Society through well-defined “Community Development Policy” within the periphery of our factory site. This has resulted into a harmonious relationship between KIL and the peripheral Communities.

II. INTRODUCTION

KIL is committed towards its social responsibilities and is continuously working to add the weaker part of the society to the main stream.

Policy on Corporate Social Responsibility of Company is broadly framed taking into account the following measures: -

- a) Welfare measures for the community at large including employees and their families, so as to ensure the poorer section of the Society derived the maximum benefits.
- b) Contribution to the society at large by way of social and cultural development, imparting education, training and social awareness specially with regard to the economically backward class for their development and generation of income to avoid any liability of employment.
- c) Protection and safeguard of environment and maintaining ecological balance.

III. OBJECTIVE

The main objective of CSR policy is to lay down guidelines for the company to make CSR a key business process for sustainable development for the Society. It aims at supplementing the role of the Government in enhancing welfare measures of the society based on immediate and long term social and environmental consequences of their activities. KIL will act as a good Corporate Citizen, subscribing to the principles of Global Compact for implementation.

IV. AREAS TO BE COVERED

The poor and needy Section of the Society living in and around the factory vicinity at different parts of India would normally be covered. The CSR Program will also cover the promoting education, including education and employment enhancing vocation skills.

For carrying out CSR activities, 80% of the budgeted amount should be spent within the radius of 50 Km of the Company's factory and 20% of the budget would be spent on CSR activities within the other part of the State or Country.

V. SCOPE

- i. Education;
- ii. Water Supply including drinking water;
- iii. Health care by providing Indoor medical facilities and medicines;
- iv. Environment;
- v. Social Empowerment;
- vi. Infrastructure for Village Electricity/Solar Light/Wind Mill etc. Recurring expenditure should be borne by the beneficiaries;
- vii. Sports and culture.
- viii. Generation of employment & setting up Co-operative Society.
- ix. Infrastructure Support
- x. Grant/donation/financial assistance/sponsorship to reputed NGOs of the Society/locality doing/involve in upliftment of the standard of the society.
- xi. Heritage sites in the CSR purview ensuring involvement of employee's representatives in this Project.
- xii. Empowerment of women for education/health & self-employment
- xiii. Relief of victims and Natural Calamities like Earth Quake, Cyclone, Draught and Flood situation in any part of the country.
- xiv. Disaster Management Activities including those related to amelioration/ Mitigation.

- xv. Collection of old cloths from the employees and distribution in the nearby village by utilizing the platform of Mahila Sabha of the Company, Club (Executives & Non-executives) and Women in Public Sector.
- xvi. Development of smokeless fuel out of coal and also arrangement for distribution of efficient Chula to the villagers.
- xvii. Adoption of village for carrying out the activities like infrastructural development e.g. Road, water supply, electricity and community center etc.

The above list is illustrative and not exhaustive. Audit Committee shall be authorized to consider CSR activities not falling in this list.

The activities will be specific to the village depending on the need assessed for the people. As far as possible efforts will be made to co-ordinate with similar CSR activities that are taken up by the Central or State Government in the areas of KIL.

All activities under the CSR activities should be environment friendly and socially acceptable to the local people and Society.

A. Education

- ✓ Academic education by way of financial assistance to Primary, Middle and Higher Secondary Schools.
- ✓ Adult literacy especially amongst those belonging to BPL.
- ✓ Awareness programs on girl education.
- ✓ Counseling of parents .
- ✓ Special attention on education, training and rehabilitation of mentally & physically challenged children/persons.
- ✓ Spreading legal awareness amongst people and disadvantageous sections of the society about their rights & remedies available.
- ✓ Promotion of Professional Education by setting up educational institutions offering courses in Engineering, Nursing, Management, Medicine and in Technical subjects etc. Company will ask for reservation of seats for Company's nominated students considering their different aspects.
- ✓ Provide cycle to needy girl students who are attending school in remote and distant areas.

B. Water Supply including Drinking Water

- ✓ Installation/Repair of Hand Pumps/Tube Wells.
- ✓ Digging/Renovation of Wells.
- ✓ Gainful utilization of waste water from Under -ground Mines for cultivation or any other purpose.
- ✓ Development/construction of Water Tank/Ponds.
- ✓ Rain water-harvesting scheme.
- ✓ Formation of a Task Force of Volunteers to educate people regarding proper use of drinking water.
- ✓ Empowerment to the villagers for maintenance of the above facilities for availability of water.

C. Health Care Organizing health awareness Camps on

- ✓ AIDS, TB and Leprosy
- ✓ Social evils like alcohol, smoking, drug abuse etc.
- ✓ Child and Mother care
- ✓ Diet and Nutrition.
- ✓ Blood donation camps.
- ✓ Diabetics detection & Hypertension Camps
- ✓ Senior Citizen Health Care Wellness Clinics.

D. Environment

- ✓ Organizing sensitizing programmes on Environment Management and Pollution Control.
- ✓ Green belt Development
- ✓ Afforestation, Social Forestry, Check Dams, Park.
- ✓ Restoration of mined out lands.
- ✓ Development of jobs related to agro product i.e., Dairy/Poultry/farming and others.
- ✓ Plantation of saplings producing fruit.
- ✓ Animal care.

E. Social Empowerment.

- ✓ Self /Gainful Employment Opportunities – Training of Rural Youth for Self Employment on Welding, Fabrication, and other Electronic appliances.
- ✓ To provide assistance to villagers having small patch of land to develop mushroom farming, medicinal plants, farming & other cash crops to make them economically dependent on their available land resources. Training may be provided by agricultural experts for above farming.
- ✓ Organizing training programmes for women on tailoring Embroidery designs, and other Vocational Courses.

F. Sports and Culture

- ✓ Promotion of Sports and Cultural Activities for participation in State and National level.
- ✓ Medias for preparing of documentary films.

Guide-lines to be followed to promote sports activities by way of granting financial assistance/donation/sponsorship etc.

Registered Clubs/Institutions which promote Sports activities may be granted financial assistance/donations/sponsorship based on the following norms:-

- 1) Sports talent development programme by Clubs/Institutions may be encouraged provided the proposal is routed through the respective Block Development Office/Sub-Divisional Office/District Office/State Associations/ local people representatives i.e. Panchayat, Pradhan/Mukhiya/MLA/MP/ Minister etc., to ascertain bonafide objective, status of activities and contribution to the society.
- 2) While sanctioning financial assistance/donation/sponsorship for State/National/International events, Company/Subsidiary Companies could send its representatives to ensure proper utilization of fund for the specific purpose, as well as, to ensure publicity/coverage for corporate image building.
- 3) While sanctioning financial assistance /donation/ sponsorship for encouraging talent search & nurturing by Club & Institution, Company/Subsidiary Companies would also ensure participation of its employees and their wards to avail benefits.

4) As per Company Policy for payment of financial assistance/donation/ sponsorship Registered Clubs/Institution will furnish details as required by Holding/Subsidiary Companies i.e. their Registration, PAN No. etc. to establish their authenticity.

H. Infrastructure Support – construction, repair, extension etc.

- ✓ Rural Dispensaries initiated by reputed NGOs.
- ✓ Shopping Complex to facilitate business/self employment for
- ✓ Community Centre,
- ✓ Yatri Shed in Bus Stand,
- ✓ Development of Park
- ✓ Old Age Home
- ✓ Orphanage
- ✓ Hostel for weaker section

VI. IMPLEMENTATION

- a) The investment in CSR should be project based and for every project time framed periodic mile stones should be finalized at the outset.
- b) Project activities identified under CSR are to be implemented by Specialized Agencies and generally NOT by staff of the organization. Specialized Agencies could be made to work singly or in tandem with other agencies.
- c) Such specialized agencies would include:
 - i Community based organization whether formal or informal;
 - ii Elected local bodies such as Panchayats;
 - iii Voluntary Agencies (NGOs);
 - iv Institutes/Academic Organizations;
 - v Trusts, Mission etc.;
 - vi Self-help groups;
 - vii Government, Semi Government and autonomous Organizations;
 - viii Professional Consultancy Organization etc.

The committee at Company level would be headed by Mr. Shailesh Patel Board and would include:

- a) Mr. Shailesh Patel
- b) Mr. Devendra Kikani
- c) Mr. Harshil Kanani

VIII. MONITORING

- a)Limitedlevel full time CSR Cell should be constituted headed by a Director who will prepare the Annual Report on CSR Activities.
- b) In every six months Board of Directors of Company should review the implementation of CSR.
- c)Limited shall include a separate/chapter in the Annual Report on the implementation of CSR activities/project including the facts relating to physical and financial progress.
- d) Cost benefit and justification includes the amount of financial involvement, detailed project Report for which Project Appraisal have to be carried out by External Agencies/Third party Agency.
- e) Utilization Certificate with statement of expenditure duly certified by an Authorized Auditor will be submitted by the Organization/ Institution to whom CSR fund is allocated.

IX. BASE LINE SURVEY & DOCUMENTATION

- (a) The CSR activities where Community Development Program is involved, base line survey is essentially to be carried out and cost benefit has to be seen in the proposed scheme through the above survey.
- (b) Meticulous documentation relating to CSR approaches policies, programs, expenditures, procurement etc. should be prepared and put inthe Public Domain, (particularly through the internet) and made available to the National CSR Hub.

X. REFLECTION OF CSR ACTIVITIES

Annual audit of all activities undertaken by the company would be done by local Authorized auditor. The CSR activities will be reflected in the Annual Report and Accounts of *KIL* under Social Overhead (CSR). The Committee constituted in the area will inspect all sites and reflect the same to CSR Cell for their information, record and further action.

XIII. CONCLUSION

The above guidelines would form the framework around which the CSR activities would be undertaken. In case of Company, it should cover the CSR policy at national level.

Since CSR Policy of Company includes all the Community Development activities in a broader perspective, the CSR Policy of Company will supersede earlier policies relating to CSR, if any.

Company will review the Policy from time to time based on changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary.