CORPORATE SOCIAL RESPONSIBILITY DEEPLY INVOLVED

Kitex Garments Limited (KGL) CSR policy is focused on improving the quality of people’s lives in the society through various programmes on Eradicating Hunger and Poverty, Education and Skill Development, ensuring good Health & Wellness, Environment Sustainability and making available Safe Drinking Water. The Projects undertaken will be within the broad framework of Schedule VII of the Companies Act, 2013.

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.
The Key activities/initiatives of Kitex CSR conducted during the FY 2017-18 are detailed below

Agriculture

Promoting sustainable agricultural practices has always been one of the CSR initiative of the company. It includes farmer participative modern group farming in over 1100 acres of farmland in Kizhakkambalam Panchayat. Out of this, 1000 acres were used for rice farming, vegetable framing and fruits cultivation. A total of Rs. 86.87 Lakhs have been spent cumulative upto this year end.

FY 18 Outlay
₹ 87 Lakh

Safe drinking water and water Security

The programme focuses on supply of safe drinking water to some of the backward colonies located in and near the Factory premises at Kizhakkambalam. 75 permanent wells were constructed and 30 wells were maintained during the last year. Total of 119 water connection from water bank has been provided. Kitex is also investing in building capacities of communities to harvest and conserve water. This has been achieved by building water harvesting structure, blending modern technologies with local situations. Kitex initiated dredging of all canals in and around Kizhakkambalam by removing dumped wastes and thereby securing it useful for the agriculture and drinking needs.

FY 18 Outlay
₹ 15.66 Lakh

Education

Kitex has been providing nutritious lunch to the students. The Company is also funding edu infrastructure and have spent Rs. 5 lakh on education and allied activities during the year.

FY 18 Outlay
₹ 5 Lakh

Food Security Programme

Kitex has been distributing essential food materials including vegetables at a very moderate prices on a daily basis to those who are from economically backward sections of the society. This benefit was funded with an amount of Rs. 16.50 lakh and was extended to about 6000 families in Kizhakkambalam Panchayat area during last year.

FY 18 Outlay
₹ 16.5 Lakh
Health Care

The company conducts Regular Health and Medical Check-up Camps for the benefit of the inhabitants of Kizhakkambalam Panchayat. Free medicines were distributed and follow up medical facilities were extended on a regular basis to those who are in need. The Company through its ‘mother and child’ initiative, is working on women’s health with specific focus on providing egg and milk to pregnant women and children below 5 years. The company also extends its free ambulance services to the needy on demand for patients who must undergo periodical dialysis.

Housing

The company has introduced Housing scheme ‘Ente Veedu Scheme’ in the year 2016 whereby 650 houses including sanitation, colony renovation, toilets etc were planned for construction. Out of total, 144 houses are completed. In Njaraloor Colony, Vilangu colony, Makanikara Colony and Kanappuram Colony under Kizhakkambalam Panchayat, 73 houses is almost getting completed. During the reporting period, 72 houses were maintained and around 33 houses were proposed to be maintained during the FY 2018-19.

Infrastructural development

Kitex is developing the basic infrastructure in and around Kizhakkambalam Panchayat by broadening the exiting roads, development of new roads, side protection of the roads, improving drainage facilities, scientific rain water harvesting and other allied activities. It has identified around 1000 street light posts for upgrading to LED lights, thereby conserving the energy for the future. Transformation of street light to LED light is in progress and the Company has purchased new crane embedded in vehicle under this programme.

A new beginning for employment generation

Your Company has started new scheme 'Adu Gramam' (Goat Farming) and "Kozhi Gramam" (Poultry Farming) farms whereby 219 families were provided 5 goats per cage per family and 200 per cage per family on their request in Kizhakkambalam panchayath free of cost.

By extending the above programs, your company have generated more than one lakh job hours of employment for the local population in Kizhakkambalam.

FY 18 Outlay
- Health Care: ₹ 2.75 Lakh
- Housing: ₹ 7 Crore
- Infrastructural Development: ₹ 4.5 Crore
- Employment Generation: ₹ 0.86 Lakh
C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in Rs.)

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Particulars of Remuneration</th>
<th>Key Managerial Personnel</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Mr. A. Babu, Company</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Secretary</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Gross salary</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</td>
<td>9,26,155</td>
<td>9,26,155</td>
</tr>
<tr>
<td>2</td>
<td>Stock Option</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Sweat Equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Commission</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- As % of profit</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Others, specify</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Others, please specify</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Contribution to PF</td>
<td>21600</td>
<td>21,600</td>
</tr>
<tr>
<td></td>
<td>Contribution to Gratuity</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Contribution to Superannuation Fund</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>Consolidated Allowances</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td>15,49,838</td>
</tr>
</tbody>
</table>

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act, 2013 against the Company or its Directors or other Officers in default, if any, during the year.

M ay 18, 2018
Kizhakkambalam

ANNEXURE - C TO DIRECTORS’ REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES - 2017-18

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

A. Brief outline of the company’s CSR policy

Kitex Garments Limited (KGL) CSR policy is focused on “Caring the Community” and has been the intrinsic value guiding our efforts in the realm of social development. Twenty20 Kizhakkambalam Association was instrumental for demonstrating care for the society through its focus on Eradicating Hunger and Poverty, Education and Skill Development, ensuring good Health & Wellness, Environment Sustainability and making available Safe Drinking Water. Over the years, while reaching out to underserved communities as 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. The Projects undertaken has been a hallmark and much appreciated by the community and international agencies alike and was within the broad framework of Schedule VII of the Companies Act, 2013.

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 of Kerala.

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.

For Kitex Garments Limited
Sabu M. Jacob
Chairman & Managing Director
(DIN: 00046016)
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 undertaken in the current year are available in our weblink: www.facebook, Twenty20Kizhakkambalam. Further details of Company’s CSR policy is available in www.kitexgarments.com

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, 2018 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: Rs. 151,80,78,742

D. Prescribed CSR Expenditure (two per cent of the amount as in Item C above): Rs. 3,03,61,575

E. Details of CSR Spend during the financial year

i. Total amount spent for the financial year: Rs. 12,75,12,054/-

ii. Amount Unspent, if any; None.

iii. Manner in which the amount was spent during the financial year is detailed below.

(Amount in Rs. in lacs)

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>CSR project or activity identified</th>
<th>Sector in which the Project is covered</th>
<th>Projects or Programs</th>
<th>Amount outlay (budget) project or Program wise</th>
<th>Amount spent on the projects or programs</th>
<th>Cumulative expenditure upto the reporting period</th>
<th>Amount spent: Direct or through implementing agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Agriculture capacity building</td>
<td>Environment sustainability</td>
<td></td>
<td>21,80,058.53</td>
<td>86,86,991.95</td>
<td>86,86,991.95</td>
<td>Directly by the Company</td>
</tr>
<tr>
<td>2</td>
<td>Education &amp; Knowledge development</td>
<td>Promoting education</td>
<td></td>
<td>1,25,146.78</td>
<td>4,98,678.83</td>
<td>4,98,678.83</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>House construction and colony</td>
<td>Environment sustainability</td>
<td></td>
<td>1,76,32,017.88</td>
<td>7,02,59,213.20</td>
<td>7,02,59,213.20</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Food and nutrition practices at</td>
<td>Eradicating hunger, poverty and</td>
<td></td>
<td>4,13,347.62</td>
<td>16,47,087.64</td>
<td>16,47,087.64</td>
<td>Directly by the Company</td>
</tr>
<tr>
<td></td>
<td>family and community level</td>
<td>Malaria and nutritional awareness</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Hygiene and sanitation promotion</td>
<td>Making available safe drinking water,</td>
<td></td>
<td>3,92,992.91</td>
<td>15,65,979.17</td>
<td>15,65,979.17</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>better sanitation and toilets.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Medical and health awareness programs</td>
<td>Promoting health including preventive</td>
<td></td>
<td>68,568.41</td>
<td>2,73,228.09</td>
<td>2,73,228.09</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Infrastructure Development</td>
<td>Environment sustainability</td>
<td></td>
<td>1,11,66,266.48</td>
<td>4,44,94,799.33</td>
<td>4,44,94,799.33</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Self Employment</td>
<td>Eradicating hunger, poverty and</td>
<td></td>
<td>21,601.39</td>
<td>86,076.17</td>
<td>86,076.17</td>
<td></td>
</tr>
</tbody>
</table>

Total Spent: 3,20,00,000

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 above 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.

Sabu M. Jacob
Managing Director
& Chairman of CSR Committee
(DIN: 00046018)

Benni Joseph
Member
CSR Committee
(DIN: 01219476)

May 18, 2018

Kizhakkambalam