



# Corporate Social Responsibility Policy

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## List of References

The Act	Section 135, Companies Act, 2013
The Rules	Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021
The Company	Shahi Exports
AAP	Annual Action Plan
BoD	Board of Directors
CSR	Corporate Social Responsibility
DIR	Direct implementation
FY	Financial Year
Gol	Government of India
INDIR	Indirect implementation
MCA	Ministry of Corporate Affairs





## 1. Objectives of the Policy

Pursuant to the requirement of Section 135 of the Companies Act, 2013 (hereinafter referred to as 'the Act') and the Corporate Social Responsibility Rules, 2014 (hereinafter referred to as 'the Rules'), Shahi Exports is hereby formalizing its policy relating to Corporate Social Responsibility (CSR) programs to be conducted in India.

Shahi Exports shall continue its commitment to contribute to economic and social development in India through activities and programs aligned with Schedule VII of the Act.

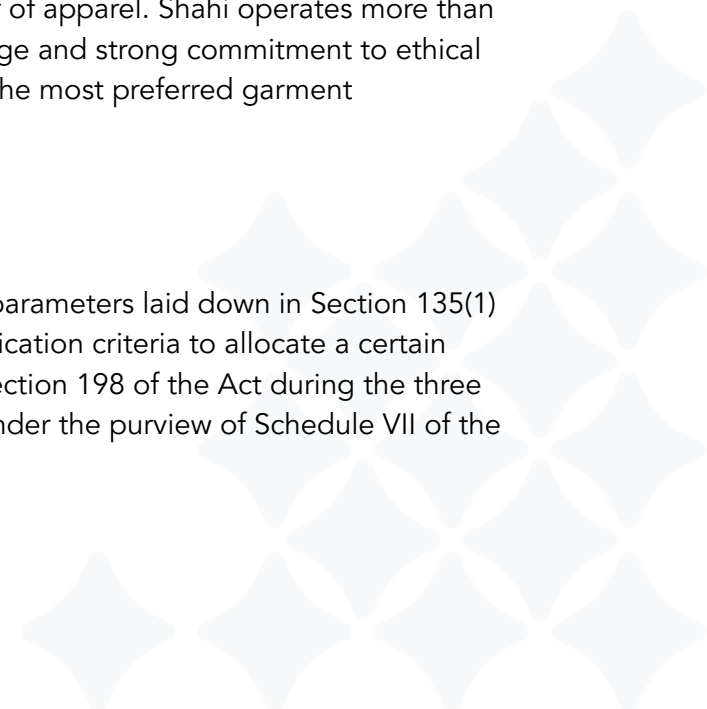
## 2. Background

### 2.1. About the organization

Established in 1974, Shahi Exports ("Shahi" or 'the Company') has come a long way from its humble origins as a family-owned company to becoming India's largest manufacturer and exporter of apparel. Shahi operates more than 50 factories and 4 processing mills across 8 states. Our diversified product range and strong commitment to ethical operations and environmental sustainability have established Shahi as one of the most preferred garment manufacturers in the world.

### 2.2. Scope and Applicability

The Company outlines its CSR Obligation for the financial year based on the parameters laid down in Section 135(1) of the Companies Act, 2013. The Act mandates companies meeting the qualification criteria to allocate a certain portion of their annual net profits (before tax) computed in accordance with Section 198 of the Act during the three immediately preceding financial years to be spent on CSR Activities that fall under the purview of Schedule VII of the Act.



- 2.2.1. *Expenditure on CSR capabilities-* The Company may build CSR capabilities of their own personnel as well as of their Implementing Agencies, and such expenditure shall not exceed 5% of the total CSR spend of the Company as stated in the Rules from time to time. Determination of whether particular expenses fall within this 5% cap can be decided in consultation with the Chief Financial Officer of the Company based on the clarification available from time to time in this regard.
- 2.2.2. *Failure to spend the CSR Money-* In case the Company fails to spend its CSR obligation in a particular financial year, the Committee shall submit a report in writing to the Board of Directors specifying the reasons for not spending the amount, which in turn shall be reported by the Board of Directors in their Directors' Report for that particular Financial Year. Unspent money related to ongoing projects shall be transferred to a separate account opened in a scheduled bank known as the Unspent CSR Account within 30 days from the end of the financial year, and unspent money in the case of projects other than ongoing projects shall be transferred to a permitted fund under Schedule VII of the Act within 6 months from the end of the financial year. Surplus, if any, arising out of the CSR initiatives shall not form part of the business profits of the Company and shall be ploughed back into the same project or transferred to the Unspent CSR Account and spent in pursuance of the CSR policy and annual action plan.

## 3. CSR Philosophy, Vision, and Mission

### 3.1. Philosophy

Corporate Social Responsibility is an arm of our Responsible For People mission that extends what we learn from worker well-being initiatives to the communities in which we operate. Our purpose to serve and uplift people comes from our founder's keen understanding of the ripple effect that is triggered by sustained and meaningful employment. The transformation of people's lives through our employees emerged as a strong motivation to consolidate and dedicate our energies toward our four focus areas:

- Samarthanam | Skill Development
- Soukyam | Health
- Shikshanam | Education
- Swacchatam | Environmental Sustainability



### 3.1.1. *Vision*

To Serve, Uplift, and Transform communities across our value chain for a sustainable future.

### 3.1.2. *Mission*

To carry this spirit, our programs address the geographic needs of the communities we operate in. Our mission is to:

- Samarthanam | Skill Development  
Promote and provide access to soft and technical skills and sustained employment.
- Soukyam | Health  
Drive better health and life expectancy for women, children, and low-income and marginalized communities.
- Shikshanam | Education  
Elevate access to foundational numeracy and literacy for school-going learners.
- Swacchatam | Environmental Sustainability  
Facilitate a better living environment.

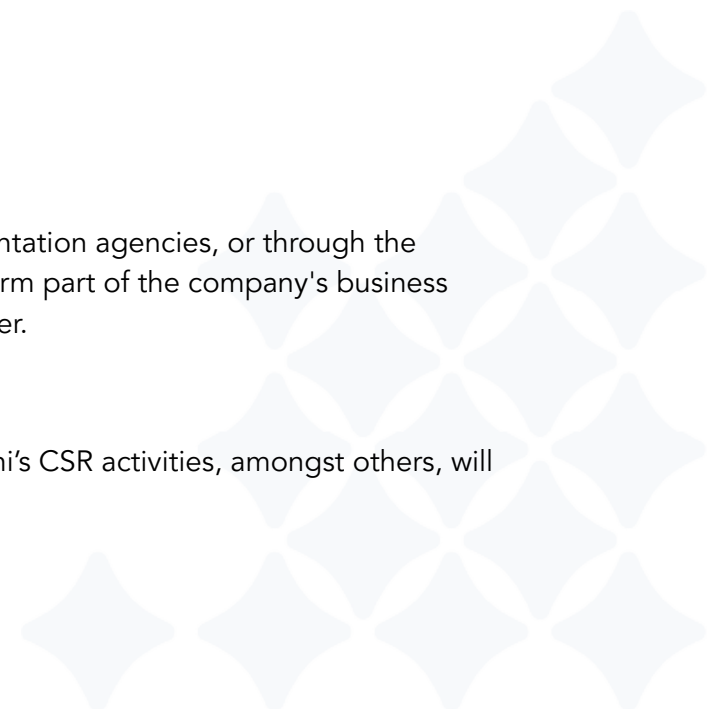
## 4. Approach to CSR

### 4.1. Model of Implementation

Shahi will undertake its CSR activities either directly, through eligible implementation agencies, or through the contributions route. Surplus, if any, arising out of the CSR activities shall not form part of the company's business profit and shall be treated in accordance with the Act and CSR Rules thereunder.

### 4.2. Priorities and Focus Areas

In accordance with the requirements under the Act and Rules thereunder, Shahi's CSR activities, amongst others, will focus on the following:





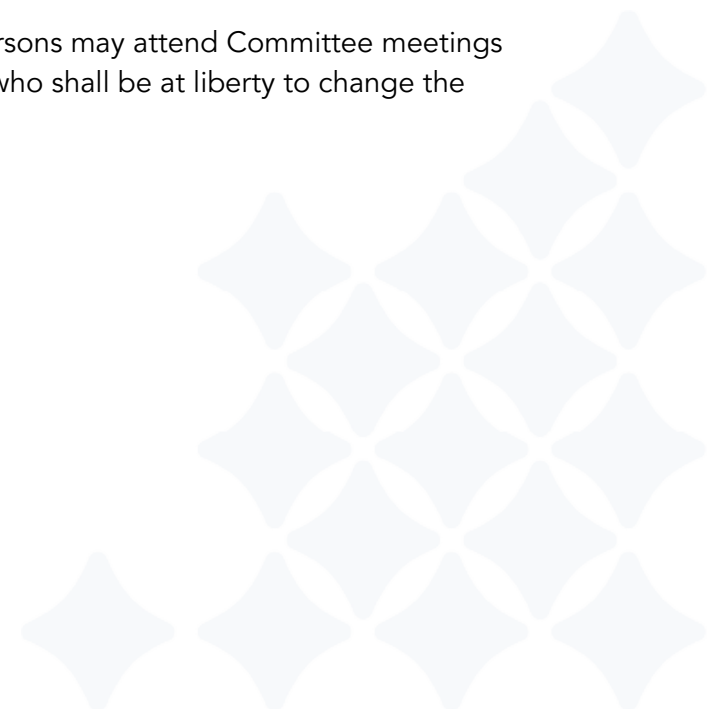
- i. Eradicating hunger, poverty, and malnutrition
- ii. Promoting healthcare and sanitation
- iii. Promoting education and gender equality
- iv. Environmental sustainability and protection of national heritage, art and culture
- v. Disaster management and slum area development
- vi. Skill development and livelihood
- vii. Training to promote rural sports, nationally recognized sports, Paralympic sports, and Olympic sports
- viii. Contribution to publicly funded universities and funds set by the Central Government
- ix. Contribution to permitted incubators or research and development projects in the fields of science, technology, engineering, and medicine

Additionally, the company will align its activities with sustainable development goals (SDGs).

## 5. CSR Governance

### 5.1. Formulation of CSR Committee

Shahi shall constitute a CSR Committee consisting of four members. Other persons may attend Committee meetings only by invitation. The CSR Committee shall report to the Board of Directors, who shall be at liberty to change the composition of the Committee by amending this Policy.



## 5.2. Roles and Responsibilities

The roles and responsibilities of the CSR Committee and the Board of Directors in the case of CSR have been listed below:

S. No.	CSR Committee	Board of Directors
1	Formulate and recommend the CSR policy to the Board	Approve the CSR Policy
2	Recommend the amount of expenditure to be incurred on CSR activities	Ensure contents of the Policy are part of the Board's report and are placed on the website of the company, if any
3	Monitor the CSR Policy of the Company from time to time	Ensure activities undertaken are in line with the Policy
4	Formulate and recommend to the Board an Annual Action Plan, which shall include the items as mentioned in Rule 5(2) of the Companies (CSR Policy) Rules, 2014	Ensure that Shahi spends at least two percent of the average net profits of the company made during the immediately preceding financial on CSR
5	Meet with a quorum of at least 2 members to review activities conducted and plan for the coming quarters	Satisfy itself regarding utilization of the funds disbursed
6	To coordinate with administrators and consultants to ensure that timelines and milestones are being met	Ensure unspent/unutilized funds and surplus funds are treated in accordance with the Act and Rules thereunder
7	Recommend modification/termination of projects undertaken and provide justification for the same	Identify ongoing projects and ensure year-wise allocation of funds
8	Monitor the CSR expenditure and make recommendations to the Board as necessary	Make modifications, if any, for smooth implementation of projects within the overall permissible time period



## 5.3. Frequency of the Meetings of the CSR Committee

The CSR Committee shall meet twice a year. Members can mutually agree on the time and place of the meetings. The quorum for the meeting should be 7. The Members may participate in the meetings either in person or through video conferencing or other audio-visual means in accordance with the provisions of the Companies Act, 2013, and rules made thereunder from time to time.

## 6. Annual Action Plan

The Annual Action Plan or Annual CSR Plan is a yearly plan of CSR activities that would be placed before the Board of Directors of the Company based on the recommendation of its CSR Committee, which outlines the following aspects of CSR initiatives of the Company:

- Tailor-made CSR projects depending upon allocated spend and geographical presence
- Partnering agencies/companies/firms
- Process Owners
- Project Proposals
- Targeted Beneficiaries & their key needs
- Alignment with Schedule VII
- Project Goals and milestones
- Activities and Timelines, including expected closure dates
- CSR Budget with projections
- Monitoring mechanism
- Progress reporting and frequency of reports
- Risks and mitigation strategies
- Any other information as may be required by the CSR Committee





## Shahi CSR Project Budget Plan - 2024-2025

### CSR Budget FY 2024 - 2025 - INR -20 CR

S/ N	Name of the Entity / Service Provider	Project Name	Project Deliverables	Project Region	Type of Implementation	Type of Project	Form of Project	Project Ending Year	2024-25 Budget Planned (INR)
Shikshanam - Education									
1	Good Business Lab	E- Gnana – Innovating for a sustainable future	Employment and economic advancement of women and migrant workers in India	Pan India	Indirect	Ongoing	Flagship project	2025	70,000,000
2	Ashok University		Center for Economic Data & Analysis (CEDA)	Pan India	Indirect	Ongoing	Strategic	2025	7,500,000
3	Shahi Exports Pvt. Ltd	Akshara –Integrated school development	* Infrastructure development in the schools and Anganwadi centers, Library Books, Desk, Chair, Computers, UPS batteries, Printers, wall paintings, Conceptual/Art painting, washroom renovation /construction, etc., civil work - Classroom renovation /construction, fencing wall compound, roof sheet, kitchen vessels, mats/Jamakhana, education kit, bicycle, handwash station, academic-related charts, indoor and outdoor playing materials, sports materials, basin, overhead tank, electrical equipment'- tube lights, bulbs, fan, pump-sets, water purifiers, and other requirements, interactive panel boards- digital classrooms, projectors, screens)	Pan India	Direct	New project	Strategic	2025	20,733,955
			* Mini Science Center Installation in Government Schools by STEM Learning Pvt Ltd- Teacher training program, interschool competition, and maintenance of models	Pan India	Direct	New project	Strategic	2025	6,500,000
4	Ed Spectrum Foundation		* After School Program (Training on English Language) to class VI to Class VIII children from underprivileged families )	North	Indirect	New project	Strategic	2025	3,739,650

### Sowkhyam - Health

5	FPAI (Family Planning Association India)	Swasthya parivaar	Swasthya Parivar: Satellite Clinic (Family planning and sexual reproductivity program) in Peenya	South	Indirect	Ongoing	Strategic	2025	4,544,993
6	Centre for CSR & Sustainability Excellence (CCSE)		Mobile Health Clinic Services and General Health Awareness Sessions (Family planning, general health checkup camps , awareness and sexual reproductivity programs in the community)	North	Indirect	New project	Strategic	2025	4,498,200
7	Kshitij NGO		Menstrual Health Hugin Management and Training and providing Menstrual cups	South	Indirect	Ongoing	Strategic	2025	1,821,750
8	FPAI (Family Planning Association India)		Swasthya Parivar: Satellite Clinic (Family planning and sexual reproductivity program) in Shimoga	South	Indirect	New project	Strategic	2025	4,519,900
9	Bal Raksha Bharath	Poshana	MNCH program - Improving Maternal Child Health and Nutrition Services In Hiriyyuru, Hubli Dharwad and Mysore	South	Indirect	Ongoing	Strategic	2025	5,968,535
10	Shehanshahi Trust		Hunger And Malnutrition by distributing food to the underprivileged	Pan India	Indirect	New	Strategic	2025	9,500,000
11	Shahi Exports Pvt. Ltd	Swaasth - Holistic Health Care Supportive Programs	* Infrastructure development through civil work, paintings, IEC materials, hospital-related machinery, and other requirements to PHC- Primary Health Centers, Govt Taluk Hospitals, and Government District Hospitals	South	Direct	New project	Strategic	2025	7,500,000
			* Construction of 1 over Head Water Tank (2 Lakhs liter water storage capacity) at Shimoga	South	Direct	New project	Strategic	2025	2,000,000
			* Reconstruction of outpatient building in primary health center, Bagalur, Tamil Nadu	South	Direct	New project	Strategic	2025	8,500,000

			* 6- Community water filter installation	South	Direct	New project	Strategic	2025	4,500,000
Swacchatham - Environment Sustainability									
12	Saahas NGO	Sada Suchithwa	Sada Shuchithva Arakere: Solid waste management and Capacity budling training for stakeholders and Shivamogga Sada Shuchithva Shivmogga: Solid waste management and Capacity budling training for stakeholders and Shivamogga	South	Indirect	Ongoing	Strategic	2025	4,535,000
13	Shahi Exports Pvt Ltd		* Cleaning and guttering (9) ponds – (Machenahalli – 3, Dummalli- 1, Nidhige -4, and Hiriyuru – 1)	South	Direct	Ongoing	Strategic	2026	3,000,000
14	United Way India	Samruddhi -Life on Land	Pond beautification (1) – main bund strengthening, inlet widening, walk path, solar light installation, stone benches, tree plantation, awareness, formation of lake development association, maintenance, and celebrating special events like Kerehabba, Kere Deepotsava.	South	Indirect	New project	Strategic	2026	9,308,750
15	Shahi Exports Pvt Ltd	Ankuram	*Ankuram: Tree plantation 3000, watering, manuring, maintenance, gardening, water conservation program, awareness in school and communities, special day observation *1000 tree plantation in KIADB industrial area, Machenahalli, Nidhige	South	Direct	Ongoing	Strategic	2026	1,000,000
			Ankuram (Tree plantation 7000, maintenance (18,000), and maintenance and plantation of 6 ponds)	North	Direct	Ongoing	Strategic	2025	4,370,000
16	Society for Human Awakening Rural Empowerment		Ankuram (Tree plantation 5500 (Earth Preparation, Soil Treatment- Bio Compost, Vermi, Jeevamrut, Cocopeat, Husk, Hay, Water Arrangements, Fencing, and Monitoring & Documentation)	North	Indirect	Ongoing	Strategic	2025	765,975

## Samarthanam - Skill Development

17	Know Me Trust India (NOMI)	Parivarthan	Skill Development Center (Odisha)	North	Indirect	Ongoing	Strategic	2025	1,944,470
18	Know Me Trust India		Skill Development Center (Jharkhand)	North	Indirect	New project	Strategic	2025	2,155,756
19	Shehanshahi Trust (HPAA Good Deed Foundation)		Skill development training program on Sewing machine operation	South	Indirect	Ongoing	Strategic	2025	4,400,000
20	Nature Welfare Society (R)		* Women's Empowerment and skill development through soft-core and hard-core training * Supporting machinery and handhold support for rural women to initiate the entrepreneurship activities	South	Indirect	New project	Strategic	2025	2,394,320
21	Shahi Exports Pvt. Ltd	MSC	Migrant Support Center (Bihar, Karnataka-(Shimogga), and General – Peenya, Bangalore)	South	Direct	Ongoing	Strategic	2025	4,000,000
22	Shahi Exports Pvt. Ltd		CSR Consultant - Sattva Media and Consulting Pvt Ltd	Pan India	Indirect	-	-	2025	400,000
			Monitoring and evaluation of the project (accommodation, travel expenses, exposure visits), conference, or award ceremony on CSR		Direct	-	-	2025	300,000
			* Stationery, Branding- Stickers, banners, name plates, outlets (all the CSR projects), and communication materials * Representing in CSR conferences, Workshop, and Seminars at the National level / International level		Direct	-	-	2025	90,000
Total									200,491,254

## 7. Collaboration

The Company may contribute on its own or collaborate with any other company/ies from time to time to undertake CSR activities, and the CSR committee can report separately to the Board on such activities in accordance with the CSR rules.

## 8. Criteria for Selection, Implementation & Monitoring Process

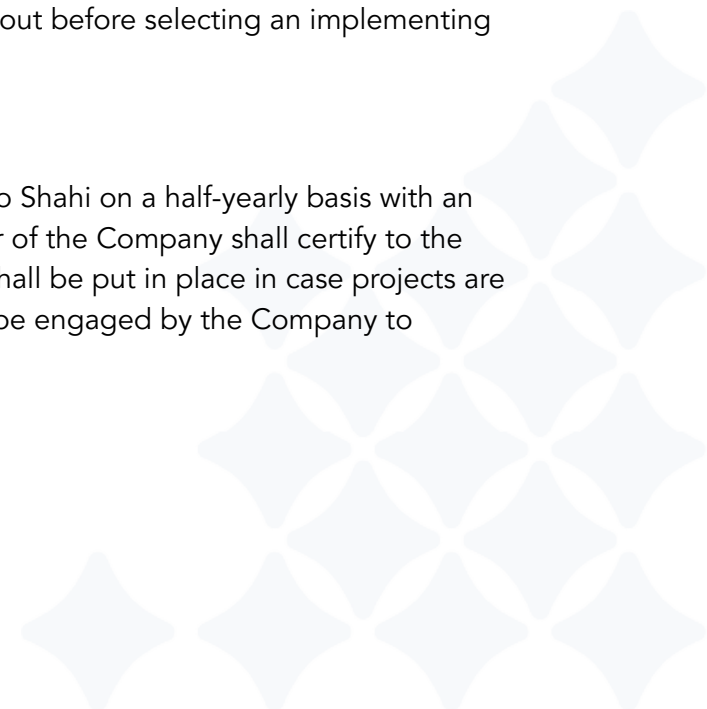
Criteria are prepared as part of a roadmap in line with the Board Resolution, Objectives, and the Annual Action Plan, which details the various stages in a project lifecycle.

### 8.1. Selection and approval of projects

Projects shall be identified in line with the CSR Policy and the geographies where Shahi wishes to create an impact within the underserved communities. Thorough due diligence shall be carried out before selecting an implementing agency to work with.

### 8.2. Project implementation guidelines, including M&E practices

Implementing agencies shall submit narrative and financial utilization reports to Shahi on a half-yearly basis with an annual audited utilization certificate based on which the Chief Financial Officer of the Company shall certify to the Board the utilization for the year against the obligation. Corrective measures shall be put in place in case projects are not meeting the timelines and milestones put in place. External partners may be engaged by the Company to monitor and evaluate projects.



## 8.3. Impact assessment practice

The impact assessment shall be carried out in line with the Act and Rules thereunder at least one year after the CSR project completion. Impact assessment shall be carried out only for those projects having an outlay of one crore or more when the Company has an average CSR obligation of 10 crore or more in the preceding three years. Such impact assessment will be carried out by an independent agency, which the Company shall identify. Shahi shall ensure that it spends the higher between 2% of its CSR expenditure for the year or 50 lakh on impact assessment.

## 9. Reporting and Disclosures

An annual CSR report and the annual action plan will be included in the Directors Report within the Annual Report of Shahi and placed before the Board for approval. As part of the reporting, the Board will be responsible to ensure that:

- The annual report on CSR includes the requisite information in terms of the Act and the Rules thereunder
- The contents of the latest and updated version of the CSR Policy will be included in the report of the Board
- Links to impact assessment reports, if applicable, will be annexed
- In case of failure to ensure minimum CSR expenditure, detailed reasons for the same will be disclosed in the Board's Report

## 10. Publication of CSR Policy and Programmes

As per the CSR Rules, the contents of the CSR Policy shall be included in the Directors' Report and displayed on the Company's website. Additionally, the composition of the CSR Committee and Projects approved by the Board will also be displayed on the Company's website.





## 11. Policy review and future amendments

The Committee shall review its CSR Policy from time to time, make suitable changes as may be required, and submit the same for the approval of the Board.

