BORANA™

WEAVES LTD

Weaving Dreams

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. INTRODUCTION AND OBJECTIVE

In accordance with Section 135 and Schedule VII of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (collectively referred to as "the Act"), this Corporate Social Responsibility (CSR) Policy of Borana Weaves Limited ("the Company") is hereby enunciated.

The Company recognizes that CSR is not merely a statutory compliance requirement but a commitment to supporting sustainable initiatives that measurably improve the lives of underprivileged communities. The primary objective of this Policy is to define the Company's CSR strategy, focus areas, governance framework, and funding mechanisms.

- **Geographical Focus:** Borana Weaves Limited's focus areas for developmental activities will be primarily in the local areas of Surat and the state of Gujarat, where its manufacturing units are located. The Company may also support initiatives in other geographies of India, as approved by the CSR Committee of the Board from time to time.
- **Underprivileged Focus:** The Company will ensure that local communities benefit from its CSR initiatives, with a special focus on socially and economically underprivileged groups, including women, children, and backward classes.

2. VISION

To actively contribute to the social, economic, and environmental development of the community in areas where the Company operates, thereby building a sustainable, better way of life for the weaker, underprivileged, and socially backward sections of society, and assisting in raising the nation's human development index.

3. IMPLEMENTATION PROCESS

- **Project-Based Milestones:** All capital and revenue investments in CSR shall be project-based, and time-framed milestones shall be finalized at the outset of each project.
- **Participatory Approach:** Projects shall be identified in consultation with local communities in a participative manner to understand and gauge their basic developmental needs.
- **Stakeholder Consultations:** Priorities will be determined based on continuous discussions with village panchayats, local government authorities, and other key stakeholders.
- **Implementing Channels:** The CSR programs and community projects will be carried out either directly by the Company or under the aegis of registered trust/society partners or implementing agencies registered with the Ministry of Corporate Affairs (carrying valid Form CSR-1 registration). All activities shall strictly align with Schedule VII of the Companies Act, 2013.

4. CSR ACTIVITIES & FOCUS AREAS

The Company's focus areas, as notified under Section 135 and Schedule VII of the Companies Act, 2013, are outlined as follows:

A. EDUCATION

- Promoting quality education, including special education and quality elementary education.
- Funding non-formal education systems and adult literacy drives.
- Developing employment-enhancing vocational skills, especially among children, women, and the elderly.
- Promoting social empowerment programs for girls and backward communities.
- Strengthening school infrastructure by donating textbooks, computers, and educational aids.

B. HEALTHCARE

- Rendering quality healthcare facilities to populations living in the periphery of our manufacturing facilities in Surat, Gujarat.
- Funding primary healthcare centers, mobile medical vans, and medical camps.
- Implementing Mother & Child care projects, including immunization drives.
- Supporting nutritional and supplementary food programs in local Anganwadis to address malnutrition.
- Promoting preventive healthcare awareness programs for non-communicable and infectious diseases.

C. ENVIRONMENTAL SUSTAINABILITY & RENEWABLE ENERGY

- Ensuring ecological balance, natural resource conservation, and soil, water, and air quality preservation.
- Adopting Zero Liquid Discharge (ZLD) technologies and advanced wastewater treatment systems to minimize the environmental footprint of textile manufacturing, notably through our partnership with Hojiwala Infrastructure Limited to recycle 640 million liters of water annually.
- Promoting green and clean energy captive projects to reduce carbon emissions, including our 3.545 MW rooftop solar project with Mahalaxmi Electricals and our 19.79 MW hybrid solar-wind power project with Clean Max.

D. SUSTAINABLE LIVELIHOODS

- Promoting livelihood programs in locally appropriate and environmentally sustainable manners.
- Organizing self-help groups (SHGs) to drive women's economic empowerment and micro-entrepreneurship.
- Providing vocational training in sewing, embroidery, and textile-allied crafts to help local communities secure sustainable incomes.
- Funding local agricultural and watershed development initiatives.

E. RURAL SPORTS & PROMOTION

- Training and sponsoring athletes to promote rural, district-level, state-level, and nationally recognized sports.
- Supporting athletes with disabilities in Paralympic and Olympic sports.
- Providing scholarships for sports training of underprivileged children.

F. EXCLUSIONS FROM CSR

The following activities shall not form part of the CSR activities of the Company:

- Activities undertaken in the pursuance of the normal course of business of the Company.
- Projects or programs that benefit only the employees of the Company and their families.
- Any direct or indirect contribution to political parties or funds directed towards political causes.
- Any CSR projects, programs, or activities executed outside of India.

5. CSR COMMITTEE COMPOSITION AND RESPONSIBILITY

In accordance with Section 135(1) of the Companies Act, 2013, the Board of Directors has constituted a Corporate Social Responsibility (CSR) Committee. The Committee comprises three Directors, who shall meet at least twice a year to discuss and review the CSR activities and policy. The Chairperson and members of the CSR Committee are as follows :

- **Mr. Rajkumar Mangilal Borana** – Chairman (Executive Director & Chief Financial Officer)
- **Mr. Ankur Mangilal Borana** – Member (Executive Director & Chief Executive Officer)
- **Ms. Nitika Abhishek Soni** – Member (Non-Executive Independent Director)

Roles and Responsibilities of the CSR Committee:

- Formulate and recommend the CSR Policy to the Board, indicating the activities to be undertaken in compliance with Schedule VII.
- Recommend the annual CSR budget and expenditure to be incurred on the identified activities to the Board.
- Establish a transparent monitoring mechanism to track the progress of CSR projects.
- Formulate and recommend to the Board an Annual CSR Action Plan.
- Ensure that the surplus arising out of the CSR projects does not form part of the business profit of the Company.

6. FUNDING AND FINANCIAL TREATMENT

- **Funding Allocation:** In every financial year, the Company shall spend at least 2 percent of its average net profits calculated u/s 198 of the Act during the three immediately preceding financial years.
- **Tax Treatment:** The tax treatment of CSR expenditure will be in accordance with the provisions of the Income Tax Act, 1961 as may be notified by the Central Board of Direct Taxes (CBDT) from time to time.

- **Ongoing Projects:** Any unspent CSR amount pursuant to any "ongoing project" shall be transferred by the Company within 30 days from the end of the financial year to a separate scheduled bank account titled **"Unspent Corporate Social Responsibility Account"**. These funds must be spent on the designated ongoing projects within three financial years, failing which they shall be transferred to a fund specified in Schedule VII of the Act within 30 days of the completion of the third financial year.
- **Other Unspent Amounts:** If the Company fails to spend the prescribed CSR amount that does not pertain to ongoing projects, the Board shall specify the reasons for not spending in its Board's Report, and transfer such unspent amount to a fund specified in Schedule VII of the Act within six months of the expiry of the financial year.
- **Set-Off of Excess Spend:** If the Company spends an amount in excess of the 2 percent requirement, it may set off such excess amount against the CSR obligation of succeeding financial years as may be prescribed under the Act.

7. COLLABORATION AND DISCLOSURE

- **Partnership:** Collaborative partnerships may be formed with the help of Government and District Authorities, village panchayats, and NGOs to leverage collective expertise. All implementing partners must hold a valid Form CSR-1 registration with the MCA.
- **Information Dissemination:** The CSR Policy, the composition of the CSR Committee, and the Board-approved social projects shall be prominently displayed on the Company's official website (`www.boranagroup.in`) for public access.

8. MONITORING, PLANS, AND IMPACT ASSESSMENT

- **Baseline Surveys:** The Company's CSR team shall carry out baseline surveys in target villages to document key parameters such as literacy rates, healthcare accessibility, and population demographics before starting projects.
- **Policy Plans:** Annual, 2-year, and 5-year plans shall be developed for the integrated development of local communities.
- **Quarterly Reviews:** All projects shall be monitored every quarter against targets and budgets, and mid-course corrections shall be executed if necessary.
- **Impact Assessment:** If the Company meets the statutory thresholds under Rule 8(3) of the CSR Rules (average CSR spend of ₹10 Crore or more in the three preceding financial years), it shall undertake independent third-party impact assessments for its major CSR projects with outlays of ₹1 Crore or more.

9. REVIEW AND AMENDMENTS

The Board of Directors, on its own and or on the recommendation of the CSR Committee, can amend this Policy as and when required. Any subsequent statutory notifications, amendments, or circulars issued by the Ministry of Corporate Affairs (MCA) or other relevant regulatory authorities shall automatically apply to this Policy and supersede any conflicting provisions contained herein.