

KAJARIA CERAMICS LIMITED

Corporate Social Responsibility Policy

PREAMBLE

Corporate Social Responsibility is strongly connected with the principles of Sustainability. An organization should make decisions based not only on financial factors, but also on the social and environmental consequences. Therefore, it is the core corporate responsibility of Kajaria Ceramics Limited to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders. Kajaria will act as a good corporate citizen, making CSR, a key business process.

GUIDING PRINCIPLES

KAJARIA recognises and is always committed towards sustainable development and inclusive growth. We strive to ensure strong corporate culture which emphasizes on integrating CSR values with business objectives. We also pursue initiatives related to quality management, environment preservation and social awareness.

OBJECTIVES OF THE POLICY/ CSR VISION

- To continuously improve the standard of living of the people around our operational facilities and helping to conserve those natural resources which our community depend on.
- To make a positive, lasting difference wherever our business touches the world, and the world touches our business. We are committed to help to solve our collective challenges – whether it's health and well-being issues, access to safe water, or supporting women's economic opportunity – in collaboration with critical partners from civil society and government.
- To engage in Good Manufacturing Practices across its operations to continue to build a sustainable business
- To protect the environment, make the business as an environment friendly and to ensure environment sustainability.

SCOPE OF CSR POLICY

The policy would pertain to all activities undertaken by the Company towards fulfilling its corporate social responsibility objectives. The policy would also ensure compliance with section 135 of the Companies Act, 2013, Schedule VII of the Companies Act, 2013 and the rules made thereunder.

BUDGET

A specific budget is allocated for CSR activities for every financial year which shall be complying with the legal limits defined in Companies Act 2013 which presently is two per cent of the average net profits of the company made during the three immediately preceding financial years.

Budget for expenditure to be incurred on the focused activities to be covered, to achieve the aforesaid goal, would be decided by the CSR Committee from time to time.

The Corpus of the CSR activities would include the following amounts :

- a) 2% of the average net profits
- b) Any income arising therefrom and
- c) Surplus arising out of CSR activities

The surplus arising out of the CSR activities will not be a part of business profits of the Company.

CSR COMMITTEE & ITS MEETINGS

- **CSR Committee**

In compliance with the provisions of section 135 of the Act, a CSR Committee has been constituted by the Board. CSR Committee at all times comprise a minimum of 3 directors out of which at least 1 director would be an Independent Director. Constitution of the CSR Committee can be changed by the Board from time to time.

- **Frequency of Meetings** – the Committee will meet as and when required.

- **Quorum** - Minimum of two Members shall form the Quorum.

- **Invitees** - CSR Committee may at its discretion invite Associates/others, to attend and participate at the meeting.

- **Secretary** - The Company Secretary of the Company will act as a Secretary to the Committee.

- **Resolutions**

All decisions shall be taken by simple majority. In case of equality of votes on any matter, Chairman shall have a casting vote. The CSR Committee can also pass the resolution by circulation.

- **Minutes**

Minutes of the proceedings and resolutions of the CSR Committee meetings shall be signed and confirmed by the Chairman of the meeting. Minutes so signed and confirmed shall be conclusive evidence of such proceedings and resolutions. Minutes of all Committee meetings will be open for inspection at any reasonable time on reasonable notice by any member of the Board of Directors of the Company.

CSR ACTIVITIES

To attain its CSR objectives in a professional and integrated manner, the company shall:

1. Promote education, including special education and employment enhancing vocational skills among less privileged children, by Granting scholarships / School Fees and Giving school Uniforms, Bags, Shoes, School Books, Transportation charges to the Less privileged children
2. Eradicate hunger poverty and malnutrition, Promote Preventive Healthcare, Sanitation and actively contribute to the socio-economic development by organizing the free health checkup camps, blood donation camps, sponsoring the medical treatment, providing blankets to the poor during winters, building/ reconstructing toilets in Government Schools and providing facilities for safe drinking water in Government Schools and in other areas.
3. Ensure the environmental sustainability, ecological balance and conservation of Natural Resources by recycling & reusing scarce natural resources i.e. water & raw materials regularly.
4. Undertake Rural / Slum Area Development Projects
5. At the time of national crisis, as a company it is imperative for us to respond to emergency situations & disasters by providing timely help to affected victims and their families by contributing to the Prime Minister National Relief Fund or any other fund set up by the Central Government.
6. Any other activities as specified in the Schedule VII of the Companies Act 2013 and Amendments thereof.

IDENTIFICATION OF PROJECTS

1. While all the CSR programs are focused in India, the company shall give preference to the local areas near its manufacturing facilities and its Corporate Office and its subsidiaries located in Sikandrabad (U.P.), Gailpur (Rajasthan), National Capital Region of Delhi, Gujarat, Andhra Pradesh.
2. The projects or programs shall not be undertaken in pursuance and part of the normal course of business.
3. The activities shall not include activities exclusively for the benefit of its employees and their family members and shall rather be for the benefit of public at large

CSR THROUGH REGISTERED TRUST, SOCIETY, OTHERWISE

The Board of Directors of the Company may decide to undertake CSR activities approved by the CSR Committee, through a registered trust or a registered society or a company established by the Company or its holding or subsidiary or associate company under section 8 of the Companies Act 2013 or otherwise. Provide that:

- If such trust, society or company is not established by the Company or its holding or subsidiary or associate company, it shall have an established track record of 3 (three) years in undertaking similar programs or projects;

- the Company has specified the project or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.

ROLE AND DUTIES OF CSR COMMITTEE

Role of CSR committee would as per the terms of reference decided by the Board and inter alia to perform the following functions:

1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the CSR activities to be undertaken by the company.
2. Preference to be given to the local areas in its CSR Activities.
3. Recommend the amount of expenditure to be incurred on the each activity.
4. Fix the time schedule to complete the each CSR Activity.
5. Any other activity (ies) function as may be assigned by the Board from time to time.

COMPLAINE AND MONITORING

The CSR committee shall have power to constitute such sub-committees as it may deem appropriate for the following:

- Implementation of the projects as may be approved or recommended by the CSR Committee.
- To monitor the CSR projects / programmes.

NOT FOR EMPLOYEES ONLY

The CSR activities should not be exclusively for the benefit of employees of the Company or their family members.

AMENDMENTS

CSR Policy would be subject to revision/ amendment by the Board of Directors of the Company based on the recommendations of the CSR Committee or else in accordance with the guideline on the subject as may be issued, from time to time.

DISCLOSURE

The company reports about its CSR activities along with its annual report. The information is also available on company website.

REVIEW

This policy is framed pursuant to the provisions of the Companies Act 2013 and rules there under. In case of any subsequent changes in the provisions of the Companies Act 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

This policy shall be reviewed by the CSR Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification on the policy as recommended by the Committee would be given for approval of the Board of Directors.