

EXXARO TILES LIMITED



Corporate Social Responsibility Policy (“CSR Policy”)

Exxaro Tiles Limited
**Regd. Office: Survey No: 169
& 170, Vavdi Harsol Road,
Mahelav, Talod,
Sabarkantha-383305,
Gujarat.**



EXXARO TILES LIMITED

POLICY ON CORPORATE SOCIAL RESPONSIBILITY:

1. PREFACE

Exxaro is committed to improve the lives of the society in which it operates. The Company believes in “looking beyond business” and strives to create a positive impact on the communities it serves and on the environment. The Company is committed not just to profits, but also towards leaving a deeper imprint on the society as a whole. We understand that there is a need to strike a balance between the overall objectives of achieving corporate excellence visà-vis the company’s responsibilities towards the community.

2. OBJECTIVE

The objective of the policy is to actively contribute to the social, environmental and economic development of the society in which we operate.

3. DEFINITIONS

The terms defined in this CSR Policy shall have the meanings herein specified and terms not defined shall have the meanings as defined in the Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014 including any statutory modifications or re-enactments thereof.

3.1 “**Act**” means the Companies Act, 2013 including any statutory modification or re-enactment thereof.

3.2 “**Associate Company**” in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

Explanation: Significant influence means control of at least 20% of total share capital or of business decisions under an agreement.

3.3 “**Average Net Profit**” means profit calculated as per Section 198 of the Companies Act, 2013.

3.4 “**Board**” means the Board of Directors of the Company.

3.5 “**Board’s Report**” shall mean report of the Board of Directors prepared in accordance with section 134(3) of the Companies Act, 2013.

3.6 “**Company**” means EXXARO TILES LIMITED

3.7 "**CSR**" means Corporate Social Responsibility.

3.8 "**CSR activities**" means the activities or projects or programmes as recommended by the CSR Committee or by the Board, undertaken by the Company from time to time in any one or more of the areas falling under the Schedule VI to the Companies Act, 2013.

3.9 "**CSR Committee**" means the Committee of the Board constituted under section 135 of the Act for the purpose of administration of CSR activities, supervising the adherence of this CSR Policy and the matter incidental thereto.

3.10 "**CSR Policy**" means the Corporate Social Responsibility Policy as set out herein and as amended or modified from time to time.

3.11 "**CSR Rules**" means Companies (Corporate Social Responsibility) Rules, 2014.

3.12 "**Independent Director**" means a non-executive director of the Company within the meaning of section 2(47) of the Companies Act, 2013 and clause 49(1)(a)(iii) of the Listing Agreement entered with the Stock Exchange(s).

3.13 "**Holding Company**" means a Company within the meaning of section 2(46) of the Companies Act, 2013.

3.14 "**Net profit**" means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act but shall not include the following namely –

(i) any profit arising from any overseas branch or branches of the Company, whether operated as a separate Company or otherwise; and

(ii) any dividend received from other Companies in India, which are covered under and complying with the provisions of section 135 of the Act.

3.15 "**SEBI**" means the Securities and Exchange Board of India constituted under Securities and Exchange Board of India Act, 1992.

3.16 "**Subsidiary Company**" means a Company within the meaning of section 2(87) of the Companies Act, 2013.

4. CSR ACTIVITIES

(i) The Company shall undertake the activities as recommended by the by the Board in accordance with the provisions of Section 135 of the Companies Act, 2013 read with Schedule VII and Companies (CSR Policy) Rules, 2014

a. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;

b. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;

c. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

d. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;

e. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;

f. Measures for the benefit of armed forces veterans, war widows and their dependents;

g. Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;

h. Contribution to the Prime Minister's National relief fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women;

i. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;

j. Rural development projects.

(ii) The CSR activities (either new or ongoing) shall be undertaken by the Company in accordance with this policy and shall exclude activities undertaken in pursuance of its normal course of business.

(iii) Subject to the provisions of section 135(5) of the Act, the CSR projects or programs or activities undertaken in India only shall qualify for CSR expenditure.

(iv) The CSR programs or projects or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities in accordance with the Act.

(v) Contribution of any amount directly or indirectly to any political party under section 182 of the Act shall not be considered as CSR activity.

(vi) Companies may build CSR capacities of their own personnel as well as those of their implementing agencies through Institutions with established track records of at least three financial years but such expenditure including expenditure on administrative overheads shall not exceed five percent of total CSR expenditure of the company in one financial year.

Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company.

5. CSR EXPENDITURE

a. As per the provisions of Companies Act, 2013, the Board shall ensure that the Company spends in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years.

b. Board shall recommend the amount of expenditure project wise to be incurred annually to the Board for its consideration and approval.

c. CSR expenditure shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act.

6. MODALITIES OF EXECUTION AND IMPLEMENTATION

(i) The Board may decide to undertake its CSR activities through

a. the Company; (or)

b. 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 Act or otherwise subject to following conditions:

- 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 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; (or)

c. Collaboration with other companies in such manner that the CSR Committees of respective companies are in a position to report separately on such CSR activities in accordance with CSR Rules.

7. MONITORING THE CSR POLICY CSR

Board shall monitor periodically the implementation of the projects / programs / activities undertaken by the Company and report to the Board on a regular basis the progress of CSR activities.

8. REPORTING

The Board's report shall include the following particulars:

- A brief outline of the company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR policy and projects or programs;
- Average net profit of the company for last three financial years;
- Prescribed CSR Expenditure (2% of the amount of the net profit for the last 3 financial years);
- Details of CSR spent during the financial year;
- In case the company has failed to spend 2% of the average net profit of the last three financial years, reasons thereof;

9. CONCLUSION

CSR Policy is subject to revision/amendment in accordance with the guidelines as may be issued by the Government, from time to time. The Board may 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.