

Corporate Social Responsibility Policy

CHETTINAD CEMENT CORPORATION LIMITED



TABLE OF CONTENTS

<u>SI NO.</u>	<u>PARTICULARS</u>	<u>PAGE NO.</u>
1	INTRODUCTION	3
2	DEFINITIONS	3
3	OBJECTIVES	4
4	CSR COMMITTEE COMPOSITION	4
5	RESPONSIBILITIES OF CSR COMMITTEE	5
6	SCOPE OF CSR ACTIVITIES	5
7	BUDGET FOR CSR	5
8	ANNUAL CSR PROGRAMMES	5
9	IMPLEMENTATION OF CSR POLICY	6
10	REVIEW AND REPORTING	6
11	AMENDMENTS TO CSR POLICY	6

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. INTRODUCTION

1.1 Chettinad Group is an established name in the industrial, infrastructural, educational and health care sector. The Chettinad Group has had a long tradition of contribution towards social and community causes. As the flagship company of the Chettinad Group, Chettinad Cements (the "**Company**") has been at the forefront of the Group tradition of giving back to the society. The Company's efforts in the past for constructing housing facilities for economically weaker sections, construction at schools, hospitals, sanitation programmes in rural areas, skill development programmes for the rural youth, free medical camps etc have been widely appreciated. The Companies Act, 2013 in effect gives an impetus to the efforts of the Company in this direction; by allowing it to set up a formal framework for such activities, and allotting an exclusive budget for the fulfilment of corporate social responsibilities.

1.2 This corporate social responsibility ("**CSR**") policy document sets out the framework under which the Company should carry out its CSR activities.

2. DEFINITIONS

2.1 In this policy, unless the context otherwise requires, the following expressions shall have the meanings ascribed against them:

(a) "**Act**" means the Companies Act, 2013.

(b) "**Board**" means the Board of Directors of the Company.

(c) "**Corporate Social Responsibility (CSR)**" means and includes but is not limited to

- (i) Projects or programs relating to activities specified in Schedule VII to the Act or
- (ii) Projects or programmes undertaken by the board of directors of a Company (Board) in pursuance of recommendations of the CSR

Committee of the Board as per declared CSR Policy of the Company subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act

- (d) **"CSR Committee"** means the CSR Committee of the Company constituted in accordance with Section 135 of the Act.
- (e) **"CSR Policy" or "Policy"** shall mean this Policy as amended from time to time.
- (f) **"CSR Programme"** shall have the meaning specified under Paragraph 7.
- (g) **"Rules"** shall mean the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.

2.2 Words and expressions used in this Policy, but not defined herein shall have the same meaning as specified under the Companies Act, 2013 and the Rules thereunder.

3. OBJECTIVES

The CSR Policy seeks to carry out the following objectives:

- (a) To specify the broad scope of CSR activities of the Company;
- (b) To stipulate the framework under which the CSR Programme of the Company will be formulated and executed;
- (c) To establish systems and processes for monitoring implementation of the CSR Programme;
- (d) To ensure compliance with the provisions of Section 135 of the Act and the Rules made thereunder, and fulfil the provisions of law in letter and spirit.

4. CSR COMMITTEE COMPOSITION

4.1 A Committee of Board of Directors has been formed in pursuance of Section 135 of the Companies Act, 2013. CSR Committee comprises of three directors as members, and one director being independent.

5. RESPONSIBILITIES OF THE CSR COMMITTEE

5.1 The Responsibilities of the CSR Committee includes;

- a) Formulating and recommending to the Board of Directors the CSR Policy and the activities to be undertaken
- b) Recommending the amount of expenditures for CSR activities
- c) Monitoring CSR activities from time to time

6. SCOPE OF CSR ACTIVITIES

The Company may carry out any project, program or activity in the areas specified under Schedule VII of the Act as on date, or as may be specified from time to time.

7. ANNUAL CSR PROGRAMME

- 7.1** The CSR Committee shall prepare an indicative programme of CSR projects / activities ("CSR Programme") to be carried out by the Company during each financial year. The CSR Programme may *inter alia* specify the projects or programs which the company plans to undertake, modalities for execution, implementation schedule, monitoring and reporting systems etc., as required, with respect to the CSR projects to be implemented by the Company.
- 7.2** The CSR Programme shall be approved by the Board of Directors of the Company. Such programme shall upon approval be deemed to constitute a part and parcel of the CSR Policy of the Company.
- 7.3** The Board of Directors may, in consultation with the CSR Committee approve any CSR expenditure or expend the CSR Budget on any project / activity, which is part of the CSR Programme on case to case basis

8. BUDGET FOR CSR ACTIVITIES

- 8.1** The Company shall in each financial year, allocate funds amounting to at least 2% of the average net profits of the Company made during the three immediately preceding financial years, for purposes of carrying out the

programs and activities under the CSR Policy. Provided that the minimum limits aforesaid would not apply, if the Company is not required to comply with the provisions of Section 135 of the Act / Rules thereunder for any reason.

- 8.2** Surplus, if any, arising from CSR projects or programmes or activities shall not form part of the business profits of the Company, but shall be added to the CSR budget of the Company.

9. IMPLEMENTATION OF CSR POLICY

- 9.1** The Company may undertake its CSR activities either by itself, or through a registered trust or a registered society or a Section 8 company established by the company itself as specified under the Rules.
- 9.2** The Company may collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR Committee of the respective companies are in a position to report separately on such projects or programmes in accordance with the Rules.

10. REVIEW AND REPORTING

- 10.1** The CSR Committee shall set in place a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.
- 10.2** The CSR Committee will review the activities carried out under the CSR Policy and prepare a progress report on periodical basis. The report shall be placed before the Board of the Directors of the Company for their review and information.
- 10.3** The report of the CSR activities of the Company shall be included in the Board's Report under Section 134 of the Act.

11. AMENDMENTS TO CSR POLICY

The Board may alter all or any of the provisions of the CSR Policy in accordance with the extant law in force in India and recommend the same to the Board for its approval. This policy is effective from the financial year 2014-15.