

ZUARI CEMENT LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

1.0 OBJECTIVE

To set guidelines for Corporate Social Responsibility (CSR) as per the Companies Act, 2013.

2.0 SCOPE

This procedure is applicable to Zuari Cement Limited.

3.0 DETAILS

3.1 Zuari Cement aims at:

- 3.1.1 Building relationship with its stakeholders based on mutual commitment, active partnership, trust, openness and long term cooperation.
- 3.1.2 Building relations with the communities starts from understanding their needs, supporting sustainable local projects without creating dependency, and fostering stakeholder consultation when opening new facilities, running existing ones and closing plants at the end of their productive lives.
- 3.1.3 The Company will not knowingly support organizations that are not in line with the Group's Values, Codes and Policies and that discriminate based on race, caste, national origin, religion, disability, gender, pregnancy, sexual orientation, political affiliation or age.

3.2 The new Companies Act, 2013 seeks to make CSR spending compulsory for the Companies that meets certain criteria with effect from FY 2014-15.

3.3 Companies with net worth of Rs. 500 Crores or more or turnover of Rs.1000 Crores or more or net profit of Rs. 5 Crores or more will have to spend 2% of the previous three years average profit for CSR activity. For this spending "Average Profit of last 3 years shall be calculated in accordance with provision of law".

3.4 As per the provisions of law, the Corpus for CSR shall include:

- a) 2% of Average Net profit (before tax) of last 3 years.
- b) Any income arising from the corpus.
- c) Surplus arising out of CSR activities.

3.5 As per the Act, a CSR committee of the Board to be formed consisting of three or more Directors, out of which one Director shall be an independent Director.

3.6 Companies shall give preference to the local areas, where it operates for spending the amount earmarked for CSR activities. A small team consisting of Technical Head, Plant Heads and HR will recommend the proposed CSR activities to the CSR Committee and monitor its effective implementation.

- 3.7 The CSR policy will be subject to any amendment to the Companies Act, 2013 or any modification thereof or other applicable laws.
- 3.8 The activities which can come under CSR as per the Companies Act, 2013
- a) eradicating extreme hunger and poverty;
 - b) promotion of education;
 - c) promoting gender equality and empowering women;
 - d) reducing child mortality and improving maternal health;
 - e) combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
 - f) ensuring environmental sustainability;
 - g) employment enhancing vocational skills;
 - h) social business projects;
 - i) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for Socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; and
 - j) such other matters as may be prescribed.
- 3.9 Considering the requirements, the following projects may be undertaken by the Company as part of CSR initiatives:
- a) Promotion of education.
 - b) Providing drinking water, toilets and to help improving other essential infrastructure as part of rural development.
 - c) Providing medical support.
 - d) Skill development and Self-employment programs for youth and women.
- 3.10 The CSR Committee shall recommend the CSR budget and activities for every financial year effective 2014 - 15 on this provision and submit to the Board for their review and approval.