



CORPORATE SOCIAL RESPONSIBILITY POLICY

CLAY CRAFT INDIA LTD

(formerly known as Clay Craft (India) Private Limited)

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1. INTRODUCTION

According to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, every Company having net worth of Rupees Five Hundred Crore or more or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year shall constitute a Corporate Social Responsibility Committee of the Board.

In compliance of the above requirements, Clay Craft (India) Ltd ("Company"), has constituted Corporate Social Responsibility (CSR) Committee and formulated a Policy. Further, CSR is not viewed as a responsibility but is rather a duty as a responsible corporate citizen. Since inception, the Company has been actively engaged in the area of social and community development.

2. CSR COMMITTEE

The Company has constituted the Corporate Social Responsibility Committee (the "CSR Committee") in line with the provisions of Section 135 of the Companies Act, 2013 (the "Act"). The CSR Committee consists of following members of the Board of Directors:

- Shri Rajesh Narain Agarwal (Chairman)
- Shri Vikas Agarwal (Member)
- Shri Bharat (Member)
- Ms. Kanan Shah (Member)

The Board of Directors of the Company may re-constitute the CSR Committee, as and when required to do so, by following the sections, sub-sections, rules, regulations, notifications issued or to be issued, from time to time, by the Ministry of Corporate Affairs or the Central Government of India.

Subject to the provisions of Companies Act, 2013 and the rules made thereunder, the CSR Committee may meet at such intervals, in such manner and may carry out matters in such manner and function generally as it deems fit.

The terms of reference of the CSR committee shall be as per the applicable provisions of the Companies Act, 2013, as may be amended from time to time, including such functions as may be entrusted by the Board of Directors from time to time.

3. RESPONSIBILITY OF CSR COMMITTEE

The CSR Committee of the Board shall be responsible:

- To formulate CSR Policy and recommend the same to the Board of Directors of the Company for approval including recommendation of modifications in the CSR Policy, to the Board, as and when required.
- To recommend the amount of expenditure to be incurred on the CSR activities.
- To monitor the Corporate Social Responsibility Policy of the Company from time to time.
- To review the CSR activities of the Company as stated under Schedule VII of the Act.

4. CSR BUDGET

For undertaking the CSR activities, the Company will strive to spend in each financial year a minimum 2% of the average net profits of the previous three financial years. For this purpose, the net profit and average net profit shall be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

Any surplus arising out of the CSR activities shall not form part of the business profit of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the Company or transfer such surplus amount to a Fund specified in Schedule VII of the Companies Act, 2013, within a period of six months of the expiry of the financial year.

Similarly, any excess amount spent on CSR activities may be set off against CSR expenditure up to immediate succeeding three financial years in accordance with the provisions of Section 135 of the Act and CSR Rules framed thereunder. Unspent amount, if any, on the CSR Activities shall be dealt with in accordance with the provisions of Section 135 of the Act and CSR Rules framed thereunder.

5. UNDERTAKING OF CSR ACTIVITIES

The CSR activities of the Company may be undertaken directly by the Company or through the followings eligible entities:

1. A Company established under Section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under Section 12A and approved under 80 G of the Income Tax Act, 1961 (43 of 1961), established by the Company, either singly or along with any other Company; or
2. A Company established under Section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
3. Any entity established under an Act of Parliament or a State legislature; or Explanation - the term "entity" shall mean a statutory body constituted under an Act of Parliament or State legislature to undertake activities covered in Schedule VII of the Companies Act, 2013.
4. A Company established under Section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of Section 10 or registered under Section 12A and approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

6. FORMULATION OF ANNUAL ACTION PLAN

The CSR committee will formulate and recommend to the Board, an annual action plan in pursuance of this Policy, which will include the following:

- (i) The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;

- (ii) The manner of execution of such projects or programmes as specified in Rule 4(1) of the CSR Rules;
- (iii) The modalities of utilization of funds and implementation schedules for the projects or programmes;
- (iv) Monitoring and reporting mechanism for the projects or programmes; and
- (v) Details of need and impact assessment, if any, for the projects undertaken by the Company.

The Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

7. CSR ACTIVITIES

The Board of Directors upon the recommendation of the CSR Committee have identified the following areas listed in Schedule VII of the Companies Act, 2013 for carrying out its CSR activities (Hereinafter referred to as 'Identified Areas'):

- (i) Eradicating hunger, poverty and malnutrition, "promoting health care including preventive health care" and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
- (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- (iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- (iv) 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 including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- (v) 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 art and handicrafts.
- (vi) measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows.
- (vii) training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports.
- (viii) contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance

and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women.

- (ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

- (x) rural development projects.
- (xi) slum area development.
- (xii) disaster management, including relief, rehabilitation and reconstruction activities.

8. MONITORING

The monitoring of CSR activities of the Company will be undertaken by the CSR Committee of the Company. The CSR Committee shall discuss the progress of each project undertaken and make any decision with respect to the project which it thinks fit. The Committee may require the Company /Implementation Agency to furnish such additional information or reports as it may require. The members of the Committee may either on their own and through their delegated representatives make periodic visits to the CSR sites to ascertain the progress of the CSR Projects/ Programmes.

The members of the Committee shall also have the right to inspect and audit the books of accounts, records and other documents of the Company/Implementation Agency pertaining to the CSR activities of the Company, either by themselves or through the aid of external agencies. An Annual Report on the CSR activities to be included in the Board's Report, shall be prepared by the CSR committee.

9. IMPACT ASSESSMENT

If the Company is having average CSR obligation of Rs. 10 Crores or more in pursuance of sub-section (5) of Section 135 of the Act, in the 3 immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of Rs. 1 Crores or more, and which have been completed not less than 1 year before undertaking the impact study.

The impact assessment reports shall be placed before the Board and shall be annexed to the Annual

Report on CSR. If the Company undertakes impact assessment, it may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed two per cent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is higher.

10. DISCLOSURE/REPORTING

The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.

11. REVIEW OR AMENDMENT

The CSR policy shall be subject to review/amendment by the Board at the instance of the CSR Committee.

Revised in the Board Meeting held on 20th August, 2025.
