

CERAMAX GRANITO LIMITED
(FORMERLY CERMAX GRANITO PRIVATE LIMITED)
CIN: U26999RJ2016PLC055538

Corporate Social Responsibility Policy

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PREFACE

We, **Ceramax Granito Limited** believe that creation of large societal capital is as important as wealth creation for our shareholders. As a responsible human organization, we are committed towards the above objective and are keen on developing a sustainable business model to ensure and activate our future growth drivers. In line with the regulatory Requirements, Company seeks to formulate a robust CSR Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare & sustainable development of the society.

This document outlines our CSR policy and provides the framework through which we will conceptualize, plan and operationalize CSR interventions. This CSR policy is in compliance with Section 135 of the Companies Act, 2013 and is governed and guided by our corporate values and aspirations. It seeks to encourage stronger commitment from the organization and employees towards the Society.

HIGHLIGHTS OF THE COMPANIES ACT, 2013 ON CORPORATE SOCIAL RESPONSIBILITY (CSR) AND APPLICABILITY

Section 135 of the Companies Act, 2013 (**The Act**) states that 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 Immediately preceding financial year shall ensure to spend at least two per cent of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

The CSR Rules have clarified that the CSR initiative must be carried out in a project/program mode and should align with Schedule VII of the Companies Act, 2013 that provides a list of thematic areas to be considered for CSR initiatives. Given its construct, Section 135 of the Companies Act, 2013 effectively marks the need for a rapid yet well-structured transformation to corporate's approach to CSR in India.

THE PURPOSES & OBJECTIVES OF THE POLICY

- Establishing a guideline for compliance with the provisions of Companies Act, 2013 & Companies (Corporate Social Responsibility Policy) Rules, 2014 or as amended from time to time and to dedicate a percentage of Company's profits for social projects.
- To convey to all the stakeholders of the Company the CSR focus areas adopted by the Company and how it propose to utilize its funds to achieve results in those areas.
- Ensuring the implementation of CSR initiatives in letter and spirit through appropriate Procedures and Reporting.
- To accomplish passionate commitment to the social obligation towards social, financial and economic upliftment of people belonging to weaker sections of the society.

CSR COMMITTEE

As per the amendment of Sec 135 of the Companies Act, 2013, where the amount to be spent by a company under does not exceed fifty lakh rupees, the requirement for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Directors of such company.

Thus, in our case, amount to be spent by the Company for CSR has not crossed the threshold limit, so the Company has not constituted the CSR Committee and all the functions of the Committee has been discharged by the Board.

CSR AREAS AS SPECIFIED IN SCHEDULE-VII OF THE COMPANIES ACT, 2013

The Policy recognizes that corporate social responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged People by one or more of the following areas as notified under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014 or as amended out of which company can undertake any of the programme or activities as mentioned in schedule-VII of the companies act, 2013.

(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 centers 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, agro forestry, 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 recognized sports, Paralympics 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.

CSR AREAS OF FOCUS

1. **Eradicating Hunger**- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
3. 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.
4. ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, 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.
5. **Other initiatives**- To undertake other need based initiatives in compliance with Schedule VII of the Companies Act, 2013.

IMPLEMENTATION AND IMPLEMENTATION SCHEDULE

The Company may collaborate with the Government, Business Partners, Other Companies, NGO's And trusts for implementation of its CSR programs/projects. The Company shall formulate criteria and procedure for selection, screening and due diligence of its implementing partners. The Board of Directors will oversee the implementation and monitoring of all CSR projects/programs. Implementation schedules for CSR activities or projects will be set by implementation Partners and the Directors of the Company.

LOCATION OF CSR PROJECTS

The company shall utilize the amount earmarked for CSR activities only in india and the company shall give preference to the local areas in and around its head office and also in states where it has large operations.

GOVERNANCE ARRANGEMENT

Planning, execution, monitoring and reporting of the CSR policy and interventions shall be overseen by the Board of Directors of the Company.

BOARD OF DIRECTORS - ROLES AND RESPONSIBILITIES

The Board of Directors of the Company will be responsible for: -

1. Conducting Board meetings for CSR purposes from time to time.

2. Formulation a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013;
3. Disclosing the Policy's content in its report and placing the Policy and approved projects on the Company's website in such a manner as may be prescribed under the Companies Act, 2013.
4. Determine the amount of expenditure to be incurred on the CSR activities;
5. The Board shall institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company & Monitor the Corporate Social Responsibility Policy of the Company from time to time.
6. Ensuring that the programs, projects and activities supported through the Company are aligned with the approved CSR policy of the Company and Section 135 and Schedule VII of the Companies Act, 2013.
7. Reviewing and approving annual budgets with respect to CSR Projects & Programs.
8. Ensuring that the Company spends, in every financial year, at least two percent of the Company's average net profits, made during the three immediately preceding financial years.
9. In case the Company is not able to spend the stipulated two percent of the average net profits of the preceding three financial years or any part thereof, the Board of Directors shall in its report specify the reasons for not spending the earmarked amount and transfer the same to the funds specified in section 135 of the Companies act, 2013.
10. Receiving and reviewing reports from Implementing Partners to assess the performance and effectiveness of projects supported by the Company.
11. The Board's shall include an annual report as Annexure to the Board Report on CSR containing particulars specified in the CSR Policy Rules, 2014 or as amended from time to time.
12. Developing and institutionalizing a CSR reporting mechanism in terms of Section 135 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 or as amended from time to time.
13. Board of Directors shall ensure that activities included by the company in its Corporate Social Responsibility Policy are related to the areas or subjects specified in Schedule VII of the Companies Act, 2013.

BUDGET AND EXPENDITURE

CSR expenditure shall include all expenditure including contribution to corpus, or on projects or programs relating to CSR activities approved by the Board, but does not include any expenditure on an item not in conformity with or not of the Companies Act, 2013

SURPLUS

The Surplus arising out of the CSR Activities, projects or programs shall not form part of the Business Profit of the Company.

MONITORING, EVALUATION AND IMPACT ASSESSMENT

The Board of Directors of the company will be responsible for the monitoring of various CSR projects or programs undertaken by the company directly or indirectly. The Board shall ensure that;

- i. Company undertakes the CSR activities as provided in the CSR policy
- ii. The projects/ programs are implemented as per the program approved by the board.
- iii. The budget allocated for each of the project is utilized for the projects as per the approved plans.
- iv. The objective of the project/program is achieved as per the plans.
- v. Company shall provide necessary resources and human capital for implementation and the effective monitoring of the CSR projects and programs as may be directed by the Board of Directors of the Company. The services of any external agencies or persons who have experience in the same or similar projects or programs undertaken or proposed to be undertaken by the company may also be made available for successful implementation and monitoring of the project.

FREQUENCY OF REVIEW

The CSR Policy, Projects or Programs & progress report will be reviewed by the Board of Directors of the Company from time to time.

REPORTING

At the end of each financial year, the Board shall prepare a report of the CSR program or project in the prescribed form relating to the financial year for its inclusion in the Board's report. The Board shall include an annual report of the CSR activities undertaken for the financial year in its Board's Report as per the format prescribed under the Companies (Corporate Social Responsibility Policy) Rules, 2014 or as amended from time to time. The Board will also Report in its Board's Report, if the Company fails to spend the stipulated CSR amount during a financial year, the reasons for not spending the earmarked amount.

CSR Policy of the Company will be displayed on the Company's Website.

VALIDITY & AMENDMENT OF CSR POLICY

Any modification/amendment in the CSR Policy shall be made when required and approved by the Board of Directors of Company.