



CORPORATE SOCIAL RESPONSIBILITY POLICY OF GARNET INTERNATIONAL LIMITED

1. Corporate Social Responsibility (CSR) Policy of Garnet International Limited (“Company”):

Corporate Social Responsibility is strongly connected with the principles of Sustainability; an organization should make decisions based not only on financial factors, but also on the social and environmental consequences. Therefore, it is the core corporate responsibility of Company to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders. Company recognizes that its business activities have wide impact on the societies in which it operates, and therefore an effective practice is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organizations. The Company endeavours to make CSR a key business process for sustainable development. Company is responsible to continuously enhance shareholders wealth; it is also committed to its other stakeholders to conduct its business in an accountable manner that creates a sustained positive impact on society. Our Company is committed towards aligning with nature; and has adopted eco-friendly practices. As a corporate entity, the Company is committed towards sustainability. On-going dialogues with shareholders provide valuable approach with an objective that each business decision takes into account its social and environmental impacts and plans.

2. Short Title & Applicability:

This policy, which encompasses the Company’s philosophy for delivering its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large, is titled as the “Garnet International Limited CSR Policy”. It has been prepared keeping in mind the Company’s business ethics and to comply with the requirements of Companies Act, 2013 (hereinafter called as “the Act”) and the Companies (Corporate Social Responsibility Policy) Rules, 2014, notified by the Ministry of Corporate Affairs.

This policy shall apply to all CSR initiatives and activities taken up at the various work-centres and locations of the Company, for the benefit of different segments of the society, specifically the deprived, under-privileged and differently abled persons.

3. CSR Vision Statement & Objective:

Corporate Social Responsibility is a form of corporate self-regulation integrated into a business model. Therefore, the policy will function as a built-in, self-regulating mechanism whereby the business will monitor and ensure its active compliance with the spirit of law, ethical standards and international norms. The main objective of the Policy is to establish the basic principles and the general framework of action for the management to undertake and fulfil its corporate social responsibility.

4. CSR Committee:

The Board of Directors of the Company shall constitute / reconstitute the CSR Committee from time to time in compliance with statutory requirements. The CSR Committee shall



comprise of a minimum of three directors, at least one of whom, shall be an independent director.

Meeting

The CSR Committee shall hold meeting as and when required, to discuss various issues on implementation of the CSR Policy of the Company. The CSR Committee may invite members of senior management, representatives of Company and other persons as it deems necessary, to the Committee meetings.

Quorum

The quorum for a meeting of the CSR Committee shall be two members.

Sitting Fee

The Sitting Fees for attending the meeting shall be determined from time to time by the Board of Directors.

5. Role of CSR Committee:

The role of CSR Committee is:

- a. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act 2013;
- b. To recommend the amount of expenditure to be incurred on the activities referred to in clause (a) in a financial year;
- c. To monitor the Corporate Social Responsibility Policy of the Company from time to time.
- d. Any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.

The Board of Directors shall endeavour that the Company spends 2% of the average pre-tax net profits of the Company made during the 3 immediately preceding financial years in pursuance of its CSR Policy.

6. Resources Funding & Allocation:

For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, the Company will allocate 2% of its average net profits made during the 3 immediately preceding financial years as its Annual CSR Budget. The Annual CSR Budget shall be spent on activities laid down in this Policy. CSR expenditure shall include all expenditure including contribution to corpus of flagship projects, projects or programs relating to CSR activities as per CSR policy, but does not include any expenditure on an item not in conformity with the CSR Policy.



7. Activities, Planning & Implementation Areas for Activities

The CSR Committee has identified the following thrust areas around which the Company shall be focusing for its CSR activities:

- i.** Eradicating hunger, poverty and malnutrition and sanitation and making available safe drinking water;
- ii.** Promoting health care including preventive health care;
- iii.** Promoting education including special education and employment enhancing vocation skills, especially among children women, elderly and the differently abled and livelihood enhancement projects;
- iv.** 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;
- v.** 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;
- vi.** 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;
- vii.** Measures for the benefit of armed forces veterans, war widows and their dependents
- viii.** Training to promote rural sports, nationality recognized sports, Paralympic sports and Olympic sports;
- ix.** Contribution to the Prime Ministers National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Schedules Castes, the schedules tribes, other backward classes, minorities and women;
- x.** Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- xi.** Rural development projects; and
- xii.** Slum area development.

All CSR initiatives/projects/programs/activities shall continue to fall under the purview of schedule VII of the Act. The CSR Committee may include any other areas falling within the Schedule VII of the Act (and amendments thereto) from time to time.

The CSR projects or programs or activities undertaken by the Company as per Company's CSR Policy in India only shall amount to CSR Expenditure in accordance with the provisions of sub-section (5) of section 135 of the Act.

The Company will prefer to take up projects for spending the amount earmarked for CSR at local areas and areas where the Company operates.

8. Implementing Agency and Partnerships:



The Company may decide to undertake its CSR activities directly or through a Registered Trust or a registered society or a Company established under section 8 of the Act by the Company, either singly or along with its holding or subsidiary or associate Company, or along with any other Company or holding or subsidiary or associate Company of such other Company, or otherwise. Provided that –

If such trust, society or Company is not established by the Company, either singly or along with its holding or subsidiary or associate Company, or along with any other Company or holding or subsidiary or associate Company of such other Company, it shall have an established track record of three years in undertaking similar programs or projects. Collaborative partnerships may be formed with the internal as well as external stakeholders which shall include the Government, the village panchayats, NGOs, the District Authorities and other like-minded stakeholders.

9. Exclusions:

The CSR activities shall be undertaken by the Company, (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business. The Company will not make any contribution of any amount directly or indirectly to any political party. The CSR projects or programs or activities that benefit exclusively for the employees of the Company and their families shall not be considered as CSR activities in accordance with this policy.

10. CSR Funds

The corpus for the purpose of carrying on the aforesaid activities would include the followings:

- 2% of the average Net Profit made by the Company during immediately preceding three Financial Years.
- any income arising there from.
- surplus arising out of CSR activities carried out by the Company and such surplus will not be part of business profit of the Company.

11. Monitoring of CSR Activities:

CSR Committee of the Company will be responsible for the monitoring of various CSR projects or programs or activities undertaken by the Company directly or indirectly. The CSR Committee shall ensure that; i. Company undertakes the CSR activities as provided in the CSR policy ii. The budget allocated for each of the project is utilized for the projects as per the approved plans. iii. The objective of the project/program/activities is achieved as per the plans v. Wherever projects/programs/activities are undertaken in partnership with one or more organizations, the part of the project or program undertaken by the Company shall be distinguishable and necessary supporting documents in respect of the same shall be obtained from the other partners / implementing agency on an annual basis. The CSR Committee may appoint officers to undertake, supervise and monitor the CSR activities and expenditures who will submit periodical report to the CSR Committee. 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 CSR Committee. 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.

12. General:

In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to CSR Committee. In all such matters, the interpretation & decision of the CSR Committee shall be final. Any or all provisions of the CSR Policy would be subject to revision / amendment in accordance with the guidelines on the subject as may be issued from Government, from time to time. The CSR Committee reserves the right to modify, add, or amend any of provisions of this Policy subject to approval of the Board.

All expenses and contributions for CSR activities will be made after approval from the Chairman of the CSR Committee , which would then be placed before the forthcoming CSR Committee for noting and record .The Chairman will ensure that the expenses/contribution and donation will be in full compliance of the CSR Policy.