

CSR Policy

1. Context and Vision

Garnet Construction believes that Corporate Social Responsibility (CSR) is the continuing commitment by business to act ethically and address the social and environmental issues prevalent in the society; thereby contributing to the welfare of the society at large. CSR is also a tool to reflect upon and evolve our relationships with our stakeholders, such as local communities, Government and Garnet Construction to achieve meaningful positive impact on ground.

To maximize the social impact of our initiatives, we have adopted this Policy developed as per the requirements of the Section 135 of Companies Act 2013, Rules and Schedules and the amendments and notifications thereof ("hereinafter referred to as "Act") to govern the CSR initiatives of Garnet Construction Limited.

This Policy document serves the following purpose:

- Define what CSR means to us
- Identify project towards fulfilling our CSR obligations
- Specify modalities of execution of projects
- Establish the operating guidelines for CSR programmes
- Elucidate the approach & governance mechanism to execute & monitor CSR programmes

2. Definitions

- "Administrative overheads" means the expenses incurred by the company for 'general management and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.
- "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.

Unless the context otherwise mentioned or requires, words or expressions contained in this Policy shall bear the same meaning as in the Act, rules or any statutory modification thereof in force at the date at which these regulations become binding on the company.

3. Approach

Garnet Construction will focus on CSR initiatives that promote the areas identified in this Policy. Garnet Construction will give preference to the local area and areas

around it where it operates. Garnet Construction will implement the programmes via in following manner :

- The mode of implementation of CSR programmes will include a combination of direct implementation and / or through partners such as NGOs, trusts, academic institutions, business associates, registered societies, etc. The Company will select its partners after appropriate due diligence.

4. Focus Areas

In accordance with the requirements of the Act, Garnet Construction amongst others, will focus on:

- Education
- Employability & Skill Development
- Environment sustainability
- Promote health
- Benefit the differently-abled
- Eradicating hunger, poverty and malnutrition, sanitation and making available safe drinking water
- Protecting National Heritage and Culture
- Gender Equality and Empowerment of Women
- Training to promote rural area

5. Funding, Execution and Implementation of CSR Activities

- The list of CSR activities which Garnet Construction undertakes shall be as specified under the Act and amendments thereof.
- The Company may enter into partnerships with the government, business partners and communities to create multiplier effect of its social programmes.
- The CSR Committee (defined subsequently in this Policy) shall monitor the process of such programmes.
- The statutory requirements for spending on CSR initiatives shall be one of the factors while determining the CSR programmes to be undertaken during any Financial Year. The CSR Committee of the Board will allocate funding based on the number of initiatives undertaken during the year which meet the requirements of this Policy.

6. Governance, Monitoring and Reporting of the CSR Activities

The three-tier governance structure to oversee, monitor and report the CSR initiatives are as follows:

Board of Directors:

- Approve the CSR Policy of the Company after considering the recommendations of the CSR Committee.
- Disclose the content of the CSR Policy in its report and place the Policy, CSR Committee Composition and projects approved by it on the Company's website as prescribed under Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.
- Ensure that the social programmes undertaken are aligned to the CSR Policy of the Company.
- Specify reasons in its report for not spending the earmarked amount in case the Company fails to spend such amount.
- The Board of Directors of the Company shall constitute the Committee with such number of its members as it deems necessary, and shall serve on this Committee for such duration as determined by the Board of Directors of Garnet Construction.
- Approval of the Annual Action Plan and any modifications thereof, as recommended by the CSR Committee.
- Monitoring the implementation of the programme with reference to the approved timelines and year-wise allocation and approving any modifications thereof.

CSR Committee:

- Formulate and recommend to the Board a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company.
- Recommend the amount of expenditure to be incurred on the activities.
- Monitor the Corporate Social Responsibility Policy of the company from time to time.
- CSR Committee of the Board of Directors will play the role of the apex review body.

- Effective implementation of the CSR programmes and activities undertaken in terms of this CSR Policy and reporting the same to the Board on a periodical basis.
- The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR Policy, which shall include the following, namely -
 - the list of CSR programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act
 - the manner of execution of such programmes
 - the modalities of utilization of funds and implementation schedules for the programme
 - monitoring and reporting mechanism for the programmes; and
 - details of need and impact assessment, if any, for the programme undertaken by the company

7. CSR Activities:

The following activities do not qualify as CSR Activities:

- Projects or activities not falling within Schedule VII of the Companies Act, 2013
- Activities undertaken in pursuance of normal course of business
- Projects or programmes or activities that benefit only the employees of Garnet Construction and their families
- Direct or indirect contribution to any political party.

Composition of CSR Committee

| Name of Director | Position Held |
|-----------------------|-------------------------------|
| Mr. Jitendra Jadhav | Chairman of the CSR Committee |
| Mr. Shiromani Chauhan | Member of the CSR Committee |
| Ms. Sriya Siddiqui | Member of the CSR Committee |