

GLOBAL SURFACES LIMITED

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CSR POLICY

1. PREFACE:

In terms of the provisions of Section 135 of the Companies Act, 2013, Global Surfaces Limited (the Company) is required to frame a Corporate Social Responsibility Policy (Policy). Accordingly, the Board of Directors (the Board) of the Company has approved and adopted this Policy.

2. PHILOSOPHY:

At GLOBAL SURFACES LIMITED, we are committed to the GLOBAL SURFACES LIMITED Group's 'Good & Green' vision of creating a more inclusive and greener India. We never lose sight of our responsibility to the environment and society. Our commitments towards Corporate Social Responsibility include but not limited to, promotion of education and healthcare, energy and climate change, and betterment of the society through respect for universal human rights and the environment, acting with integrity and accountability and operating responsibly and sustainably.

3. INTERPRETATION:

The words and expressions used and not defined in this policy but defined in the Companies Act, 2013 or rules made there under shall have the same meanings respectively assigned to them in those act or rules made thereunder.

4. CSR COMMITTEE:

(a) CONSTITUTION

In terms of the provisions of Section 135 of the Companies Act, 2013 and rules made thereunder, the Board of the Company has constituted a CSR Committee (the Committee). In the terms of the same the Committee shall consist of minimum three directors, out of which at least one director shall be independent.

(b) FUNCTIONS

The Committee shall carry out the following functions:

- (i) 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.
- (ii) Recommend the amount of expenditure to be incurred on CSR activities.
- (iii) Monitor the Corporate Social Responsibility Policy of the Company from time to time.
- (iv) To formulate and recommend to the Board, an annual action plan.
- (v) Any other activities/ programs/ functions, as may be assigned by the Board
- (vi) Submit the Reports to the Board in respect of the CSR activities undertaken by the Company.

5. FUNDING AND ALLOCATION:

The Company shall, in every financial year, spend at least 2% of its average net profits made during the three immediately preceding financial years, in pursuance of its CSR Policy.

Explanation: The Average Net Profit shall be computed in accordance with the provisions of Section 198 of the Companies Act, 2013.

Any surplus arising out of CSR Activities shall not form part of the business profits of the Company and the same shall be spent on CSR activities.

Any excess amount spent on CSR activities may be set off against CSR expenditure to be incurred in the succeeding 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.

6. CSR ACTIVITIES:

The Company shall undertake and execute all or any of the following CSR activities (“CSR projects/ programmes”):

(i) 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.

(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.

(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) Contribution* to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defense Research and Development Organisation (DRDO), [Department of Biotechnology (DBT)], Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

*Contributions or funds provided to technology incubators located within academic institutions which are approved by the central govt.

(x) rural development projects

(xi) slum area development.

Explanation - For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

(xii) Disaster management, including relief, rehabilitation and reconstruction activities.

(xiii) Any other activities which will be introduced by the Ministry of Corporate, Securities and Exchange Board of India and any other Government Authority from time to time.

7. ANNUAL CSR PLAN

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: -

(a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act.

(b) the manner of execution of such projects or programmes.

(c) the modalities of utilisation of funds and implementation schedules for the projects or programmes.

(d) monitoring and reporting mechanism for the projects or programmes; and

(e) details of need and impact assessment, if any, for the projects undertaken by the company:

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

The surplus arising out of the CSR activities, projects or programs shall not form part of the business profit of the Company.

The company shall continue to focus on group projects, new & ongoing projects and give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities.

8. IMPLEMENTATION

CSR initiatives will be implemented either directly by the Company or through Trust established by the Company for CSR purpose or any implementing partners which include a Company established under Section 8 of the Act, or a registered public trust or a registered society having an established track record of at least 3 years in undertaking similar activities for which the grant is being given.

These organizations would need to be registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961). The above entities shall register with the Central Government by filing the form CSR-1 electronically with the Registrar, with effect from the 1st April 2021. The Company may engage International Organizations (as defined in Clause 2(g) of the Companies (Corporate Social Responsibility Policy) Rules 2014) for designing, monitoring, and evaluation of CSR Projects as well as capacity building of their personnel.

The Company may also collaborate with other companies to undertake CSR projects, provided the CSR Committees of the respective companies are able to report separately on such projects.

While undertaking any project or program with other implementing partners, the Company will undertake due diligence to evaluate the implementing partner's reputation, track record, capacity and competency, including organization structure, requisite permits and licenses, presence in desired geography and compatibility with the CSR Policy and satisfy itself that the entities in the list of eligible entities through which the company shall undertake the CSR Project or Programme are registered with the Central Government as required under the CSR Rules in this behalf.

Where the CSR amount spent results or resulted in creation or acquisition of capital asset, the Company shall confirm to the CSR Committee about the entity holding the capital asset in accordance with the Rules.

9. IMPACT ASSESMENT

The Company shall undertake impact assessment from an independent agency, if the average CSR obligation is Rs. 10 Crores (Rupees Ten Crores) or more in the three immediately preceding financial years, for its CSR projects having the outlays of Rs. 1 Crore (Rupees one crore) or more and have been completed more than one 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;

The Company may book the impact assessment expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed 5% of the total CSR expenditure for that financial year or Rs. 50 Lakh (Rupees Fifty Lakh), whichever is less.

10. MONITORING PROCESS:

The CSR Committee will monitor all CSR projects / programmes. For this purpose, the Committee would meet as and when required to take note of project wise status of project completion and funds utilization and to compare with budgeted funds and timelines.

11. DISCLOSURE AND REPORTING:

The CSR Policy will be displayed on the Company's website i.e www.globalsurfaces.in. An annual report on CSR containing the prescribed particulars under the CSR Rules shall form part of the Board's Report of the Company.

12. REVIEW AND AMENDMENT:

In case of any amendments which make any of the above provisions in the Policy inconsistent, the provisions of the amendment shall prevail.

The Policy shall be reviewed by the Board so as to align the same with the amendments or to incorporate the changes as may be felt appropriate by the Board.