

Corporate Social Responsibility Policy

Real progress occurs when privileges are balanced with the responsibilities towards society. Your Company has always laid emphasis on progress with a social commitment. We believe strongly in our core values of empowerment and betterment of not only the employees but also our community. Following this principle, the company has developed a comprehensive approach towards promoting and facilitating various aspects of our surrounding communities, work-force and their families.

(1) CSR Objective:

The objective of the company's CSR Policy is to frame guiding principles for identifying, execution and monitoring of CSR activities, its review from time to time, taking necessary corrective actions and reporting of the CSR activities to CSR Committee/Board of Directors. The whole idea is for the betterment of local community, employees and nearby society.

(2) CSR activities:

Cera Sanitaryware Limited is one of the leading Ceramic manufacturer and Bath Room Solution provider in the organized sector of the country and also an active player in non-conventional energy. The company's production facilities are situated at Kadi, Mehsana district, Gujarat State.

The company has started CSR activities through launching of 'The Vidush Somany Education Programme' with the aim of empowering young students by facilitating basic education of high standards. With the support of Government Schools the programme has been successful in benefiting students in Kadi town of Mehsana district, Gujarat State. With the support of Bhagyoday Hospital, Kadi the program has been successful in benefiting poor and needy patients of Kadi & nearby area. The program has contributed for construction of Engineering College named as Vidush Somany Institute of Technology and Research in campus of Sarva Vidyalaya Kelavani Mandal Kadi.

(3) Need for the CSR Policy:

Ministry of Corporate Affairs, Government of India has notified Section 135 being provision relating to CSR with effect from 1st April, 2014 and also notified rules namely the Companies (Corporate Social Responsibility Policy) Rules, 2014 which also came into effect from 01.04.2014. The said provisions are applicable to the company having:

- (a) net worth of Rs.500 crores or more OR
- (b) turnover of Rs.1000 crores or more OR
- (c) net profit of Rs.5 crores or more during the immediately preceding financial year.

Any company satisfying any one of the above criteria shall ensure that the company spends, in every financial year at least 2 per cent of the average net profits of the company made during the three immediately preceding financial years in pursuance of its CSR policy.

The company should give preference to the local area and areas around it where it operates for spending the amount earmarked for CSR activities.

As the company is fulfilling the criteria, as required by the Companies Act, 2013 the company has formed Corporate Social Responsibility Committee of its directors as mentioned below:

Name of Member	Designation / Category
Shri Vikram Somany	Chairman
Shri Anupam Gupta	Member
Smt. Deepshikha Khaitan	Member
Shri Surendra Singh Baid	Member

(4) Areas of operation and CSR activities:

The company's production facilities are situated in Kadi, Mehsana district, Gujarat State and as such its CSR activities will be executed in the State of Gujarat and will also donate appropriate amount to the Welfare Trusts, which have undertaken the CSR activities as specified in the Companies Act, 2013 and rules made there under. The areas of operations for CSR activities shall generally be in the district of Mehsana, Gujarat State. However, the areas in the adjoining districts may also be covered if the CSR Committee thinks it appropriate.

The Company may carry out its CSR Activities:

Through Direct mode:

1. The Company may itself implement the identified CSR Projects within the scope and ambit of the Thrust Areas as defined in the Policy;
2. The company may collaborate with other companies if required, for fulfilling its CSR objects through the Direct Method, provided that the CSR Committees of respective companies are in a position to monitor separately such CSR Projects.

Through Indirect method:

1. The Company may implement the identified CSR Projects through Agency as prescribed in Companies (CSR Policy) Rules, 2014, subject to the condition that:
 - a) The Agency should get itself registered with MCA21 portal by filing requisite form
 - b) The activities pursued by the Agency are covered within the scope and ambit of Thrust Areas of the Company and Schedule VII of the Companies Act, 2013.
2. The Company may collaborate with other companies, including its subsidiary Companies and Group Companies if required, for fulfilling its CSR objects through the Indirect Method provided that the CSR Committees of respective companies are in a position to monitor separately such Projects.

However, the same can be decided by the CSR Committee from time to time.

Thrust Areas:

The company proposes to carry out CSR activities in the following functional areas from time to time:

- eradicating hunger and malnutrition
- promoting healthcare including preventive health care
- promoting education, including special education
- employment enhancing vocational skills among women
- empowering women
- Rural Development
- Any other CSR Activities allowed as per Section 135 and Schedule VII of the Act and amended from time to time

The CSR Committee will formulate and recommend to the Board, an annual action plan which will 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; including impact assessment, if applicable.

Provided that Board may alter such plan at any time during the financial year, based on the reasonable justification to that effect.

(5) Allocation of funds:

Cera Sanitaryware Limited shall allocate at least 2 per cent of the average net profits of the company made during the three immediately preceding financial years towards the CSR activities as mentioned here above.

Amount spent in excess of requirement of 2% may be set-off against the requirement to spend under the Act up to immediate succeeding three Financial Years, subject to approval of the Board.

In case the Company fails to spend the statutory minimum limit of 2% of average net profits of the Company of the immediately preceding three years, in any given Financial Year, the Board shall specify the reasons for the same in its report and unless the unspent amount relates to any Ongoing Project, transfer such unspent amount to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the Financial Year.

Unspent CSR funds of Ongoing Project will be transferred within a period of 30 days from the end of the Financial Year to a special account, opened by the Company in a scheduled bank titled "Unspent Corporate Social Responsibility Account". Such amount shall be spent by the Company towards CSR Projects/ Activities within a period of 3 Financial Years from the date of such transfer and failing which, the balance unspent CSR Fund, if any, shall be transferred to a Fund specified in Schedule VII, within a period of 30 days from the date of completion of the third Financial Year. This is subject to change as may be amended from time to time by Government / MCA

(6) Implementation of the CSR activities.

The primary responsibility for carrying out the CSR activities will be on CSR Committee / Board of Directors of the company duly supported by following CSR execution team:

1. Vice President (HR & IR)
2. Chief Financial Officer
3. Sr. Manager (HR & IR)
4. CSR Officer

The CSR execution team may form small group of employees for carrying out CSR related activities under its supervision as and when the need arises.

If required a local man including villagers and Sarpanch may also be included as a coordinator or as a link man to achieve the target as well as ensuring participation of local representative in formulating the CSR activities in order to obtain the maximum benefit for the community.

In case of need, close coordination may also be done with Central/State/Local Government/NGOs to strengthen the CSR activities. If the CSR Committee is satisfied it may also donate appropriate funds to any NGO or local body if they are operating in line with CSR activities undertaken / to be undertaken by the company and thereby contributing indirectly for the attainment of desired results in the area of CSR activities.

(7) Monitoring and Review of CSR projects / activities:

All CSR activities shall be monitored by the CSR Committee. The Review discussions shall be held among the Committee members and / CSR execution team and other participants for further improvement. Feedback will be obtained from the local representatives to ensure that benefits of such activities should reach to the local community. For educational programmes, the review may be conducted by taking proper exams of the beneficiaries by independent qualified person(s) and corrective action may be taken as and when necessary.

The Board shall review the implementation of CSR activities from time to time with reference to the approved timelines and year-wise allocation. The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

The Board shall satisfy that the funds disbursed for CSR have been utilized for the purpose and in the manner as approved by it and Chief Financial Officer / the person responsible for financial management will certify the same.

(8) Disclosure in the Board of Directors Report and display on Company's website.

As required by the provisions of the Companies Act and Rules made there under from time to time, required particulars of the CSR activities will be displayed on the website of the Company and will also be disclosed in the Report of the Board of Directors of the company, as per the format prescribed in the Act

(9) Policy documents to be referred for implementation of CSR activities.

- a. CSR policy of Cera Sanitaryware Limited

- b. Provisions of the Companies Act, 2013 relating to CSR and rules made there under.
- c. Any subsequent notification / circular / amendments / modification / revision / addendum to the aforesaid acts and rules issued by the Ministry of Corporate Affairs, Govt. of India.

(10) General:

- a. The company reserves the right to modify, cancel, add/or amend any of the above activities/rules/guidelines within the broad parameters of the provisions of Companies Act, 2013 and rules made there under from time to time.
- b. In case of any doubt with regard to any of the provisions of the policy and also in respect of any matters not covered therein, the interpretation and decision of the Chairman of the CSR Committee/ Board of Directors shall be final.

Effective Date:	12 th June, 2014
Previously Modified & Reviewed:	10 th June, 2021
Last Reviewed:	26 th October, 2021
Scheduled Review Date:	Annually or Biennially
Approved by:	Board of Directors

**For, Cera Sanitaryware Ltd.
Anupam Gupta
Executive Director (Technical)**
