

UDAY JEWELLERY INDUSTRIES LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

(Last modified on 8th March, 2022)

1. INTRODUCTION:

The Board of Directors (the “Board”) of Uday Jewellery and Industries Limited (the “Company or UJIL”) has adopted the following policy and procedures with regard to Corporate Social Responsibility. The Board may review and amend this policy from time to time subject to the recommendations of the Corporate Social Responsibility Committee.

2. CORPORATE SOCIAL RESPONSIBILITY (CSR)- PHILOSOPHY:

The policy on Corporate Social Responsibility (CSR) is adopted by the Company to align its philosophy to initiate measures and pursue socially useful programmes with the objectives and CSR activities (Annexure-1) envisaged and incorporated in the Companies Act, 2013 and the rules made thereunder. This policy has been recommended by the Corporate Social Responsibility Committee (‘CSR Committee’) and adopted by the Board of Directors at its meeting held on 29th June, 2020. The terms, rules and regulations mentioned in this policy are as per the Companies Act, 2013 and the rules made thereunder. The Board may upon the recommendation of CSR Committee, amend or modify this CSR Policy as and when necessary.

3. OBJECTIVE:

The main objective of Corporate Social Responsibility Policy (CSR Policy) is to lay down guidelines for CSR Activities (Annexure-1) of Uday Jewellery Industries Limited (The Company or ‘UJIL’).

4. DEFINITIONS:

- i. ‘Act’ shall mean the Companies Act, 2013 and the rules made thereunder, including any modifications, amendments or re-enactment thereof.
- ii. ‘Board’ shall mean the Board of Directors of the Company.
- iii. ‘Company’ shall mean Uday Jewellery Industries Limited or UJIL
- iv. ‘CSR Committee’ or ‘Committee’ means Corporate Social Responsibility Committee as constituted by the Board in accordance with Section 135 of the Companies Act, 2013.
- v. ‘CSR Expenditure’ shall mean all expenditure including contribution to project or program relating to CSR activities in line with activities covered under Schedule VII of the Act. Contribution of any amount directly or indirectly to any political party under Section 182 of the Act, shall not be considered as CSR Expenditure.
- vi. ‘CSR Policy’ or ‘Policy’ means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;

- vii. **‘Financial Year’** shall mean the period beginning from 1st April of every year to 31st March of the succeeding year.
- viii. **‘Net Profit’** means the net profit of the company as per its financial statement prepared in accordance with the applicable provisions of the Act but shall not include the following, namely:
 - a. any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise, and
 - b. any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act.
- ix. **‘Rules’** shall mean the Companies (Corporate Social Responsibility Policy) Rules, 2014, including any re-enactment, modifications or amendments thereof.
- x. Words and expression used in this policy and not defined herein but defined under the Companies Act, 2013 shall have the meanings respectively assigned to them therein.

5. CONSTITUTION, COMPOSITION AND ACTIVITIES/ IMPLEMENTATION OF CSR COMMITTEE:

- i. The Board of Directors has constituted a CSR Committee as per the requirements of the Companies Act, 2013. The CSR Committee comprising of three (3) members.
- ii. The Committee shall identify programs/projects in which the CSR initiatives/ activities of the Company can be undertaken and recommend to the Board from time to time.
- iii. The Committee shall recommend to the Board the amount of expenditure to be incurred by the Company on CSR activities (Annexure-1) and the Board will ensure that the activities as are included in the CSR Policy are undertaken by the Company subject to and in accordance with the provisions of Section 135 of the Companies Act, 2013.
- iv. The Committee may invite such outside expert/consultant or any other person as it may deem fit for the purpose of CSR activities.
- v. The Committee may also recommend allocation of certain portion of the CSR spend for some identified activities/projects.
- vi. The programs/projects which benefit only the employees of the Company and their families shall not be considered for CSR activities.
- vii. The Committee shall endeavor for CSR capacity building of the personnel of the Company and / or of the institution carrying CSR activities of the Company and not more than 5% of the total CSR budget shall be spent on such CSR capacity building exercise.

6. AMOUNT OF EXPENDITURE TO BE INCURRED ON THE CSR ACTIVITIES:

- i. The Company will endeavor to spend the following amounts for CSR activities in pursuance of this Policy:

- a. In every financial year, at least two (2%) percent of the 'average net profits' of the Company made during the three immediately preceding financial years. The 'average net profits' shall be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 and the rules made thereunder from time to time.
 - b. Any income arising from the activities mentioned above.
 - c. Surplus arising out of CSR activities.
- ii. Contribution of any amount directly or indirectly to any political party under Section 182 of the Companies Act, 2013, shall not be considered as CSR activities.
 - iii. Amount spent on CSR activities shall include all expenditure including contribution to the corpus for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but will not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act, 2013.
 - iv. The CSR Committee will approve the expenditure on CSR activities within monetary limits sanctioned by the Board for such activities.

7. MODALITIES OF EXECUTION / IMPLEMENTATION (PROJECTS / PROGRAMS TO BE UNDERTAKEN)

- i. The activities to be undertaken by the Company as CSR activities shall be the projects/ programs relating to the activities/subjects specified enumerated in the Schedule VII of the Companies Act, 2013 or any amendment thereto or modification thereof from time to time.
- ii. CSR activities may be initiated/implemented/ executed by the Company, or through:
 - (a) A registered trust, registered society, registered NGO or a company established by the Company or its subsidiary or associate company under Section 8 of the Companies Act, 2013;
 - (b) If such trust, society, or company is not established by the Company or its holding or subsidiary or associate company, the eligible CSR activities will be undertaken in collaboration with a specialized organization institution, or agency which has an established track record of atleast three years in undertaking CSR projects or in carrying on permissible CSR activities.
 - (c) An agreement/ contract or any other written communication will be executed by the Company.
- iii. CSR activities may also be undertaken in collaboration with other Companies.
- iv. The Committee shall from time to time decide/recommend to the Board on, CSR activities to be undertaken, the geographical area covered, agencies or trusts or NGOs with which the projects/activities are to be undertaken, the amount to be spent on various projects whether ongoing or fresh or new projects.
- v. CSR Committee shall have full discretion to specify or modify the modalities of execution of CSR projects or programs and to determine the implementation schedule.

- vi. While deciding on the CSR activities, priority shall be given to the needs and requirements of communities or local areas and areas around, in the vicinity of the Registered Office as well as various showrooms of the Company are situated.
- vii. The CSR activities shall be undertaken within India.

8. MONITORING PROCESS:

- i. The Committee shall monitor periodically the implementation and execution of the projects/ programs/ activities under CSR policy and ensure compliance with the provisions related to CSR as mentioned in the Companies Act, 2013 and rules made thereunder from time to time and report the same to the Board of Directors on a regular basis.
- ii. The Committee shall on completion of every Financial Year, submit to the Board, details of the CSR spent during the Financial Year and reasons for the actual spent being less than the limits prescribed by the law if any.
- iii. The report on CSR shall form part of the Boards' Report (Directors' Report) of the Company.
- iv. The Committee shall recommend changes/modifications to be carried out in the policy to the Board from time to time.

9. ROLE OF THE BOARD:

The role and responsibility of the Board shall include:

- i. Approval of CSR policy after taking into account recommendations of the CSR Committee.
- ii. Reporting in the Board's Report brief outline of this CSR policy including overview of projects or programs, the composition of the CSR Committee, average net profits of the Company for the last three financial years and prescribed CSR expenditure as required under the Companies Act, 2013 and rules made thereunder along with (i) the total amount spent on CSR activities in the financial year and (ii) amount unspent, if any.
- iii. Ensure that the CSR activities are undertaken and executed by the Company as per this CSR policy and the applicable laws.

10. CERTIFICATION OF UTILISATION OF CSR FUNDS:

The Board shall satisfy itself that the funds of CSR have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.

11. DOCUMENTATION, REPORTING, AND DISCLOSURES:

In compliance with the provisions of the Act, and preparation of the Annual CSR Report as

per the prescribed reporting format, the CSR Committee / such other person as may be identified by the Committee / Board will ensure the following reporting requirements:

- i. All CSR Projects / Programmes are comprehensively documented;
- ii. Accountability is fixed at every level of the CSR process and the implementation apparatus;
- iii. Details regarding meetings of CSR Committee;
- iv. Set-off any excess CSR amount against future CSR obligations;
- v. Amount spent on administrative overheads, impact assessment, if applicable, and on ongoing projects; etc.

12. DISCLOSURE ON THE WEBSITE OF THE COMPANY:

The Board shall ensure mandatorily disclosure of the following on the website of the Company:

- Composition of the CSR Committee
- Projects approved by the Board
- CSR policy

13. DISCLOSURE IN THE ANNUAL REPORT OF THE COMPANY:

The details about the Policy developed and implemented by the Company on CSR, initiatives taken during the year, and details of CSR spent during the FY shall be disclosed in the Annual Report of the Company, pursuant to the provisions of the Act. This policy shall be subject to amendments under the Act or any other applicable law or regulation, and the Chairman of the CSR Committee is authorized to make the incidental changes to this Policy.

ANNEXURE-1

CSR ACTIVITIES AS PROVIDED IN SCHEDULE VII

The Company may undertake any of the following activities as its CSR activities:

- (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, the 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, daycare 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, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- (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) (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.

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.
