

**AJC JEWEL MANUFACTURERS LIMITED**

**CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

**TABLE OF CONTENTS**

<b>S, No.</b>	<b>Particulars</b>	<b>Page Nos.</b>
1.	Preamble	3
2.	Objectives	3
3.	Policy Statement /Vision	3
4.	Mission	3
5.	Scope	4
6.	Definition	4
7.	Applicability of the CSR Provisions	6
8.	Constitution of the CSR committee	6
9.	Areas of Initiative	8
10.	CSR Expenditure	9
11.	Implementation of CSR Activities	9
12.	Annual Action Plan	9
13.	Monitoring and Reporting	10
14.	Treatment of Unspent CSR Expenditure	10
15.	Impact Assessment	10
16.	Disclosure	11
17.	Review and Amendment of the Policy	11

## **Corporate Social Responsibility (CSR) Policy** **(Pursuant to Section 135 of the Companies Act, 2013)**

### **1. Preamble**

The Corporate Social Responsibility (“CSR”) covers the process by which an organisation approaches, defines and develops its relationships with the stakeholders for the common good. The organisation demonstrates its commitment in this regard by adopting appropriate strategies, processes and activities. CSR, at constitutes an essential part of its core value of “Sustainability.”

### **2. Objective**

The objectives of this Policy are to:

- Define the CSR philosophy of AJC Jewel Manufacturers Limited (“**the Company**”)
- Outline the activities to be undertaken as specified in Schedule VII of the Act
- Establish a transparent governance mechanism for CSR implementation

### **3. Policy Statement/Vision**

The Government of India enacted the Companies Act, 2013 in August 2013. Section 135 of the Act deals with Corporate Social Responsibility (CSR). The activities to be included by companies in their CSR policies are listed in Schedule VII of the Act. The provisions of Section 135 and Schedule VII of the Act apply to all companies, including Central Public Sector Enterprises (CPSEs). The Ministry of Corporate Affairs formulated the CSR Rules under the provisions of the Act and issued them on 27.02.2014. Further, the Ministry of Corporate Affairs amended the Companies (Corporate Social Responsibility Policy) Rules, 2014 and notified the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, which came into force on 22 January 2021.

This Corporate Social Responsibility (CSR) Policy of **AJC Jewel Manufacturers Limited** has been formulated in accordance with Section 135 of the Companies Act, 2013, read with the Companies (CSR Policy) Rules, 2014, as amended from time to time.

The Company recognizes its responsibility towards society and is committed to contributing to sustainable development by balancing economic, environmental, and social objectives.

### **4. Mission**

The Company through its CSR initiatives will:

- i. Contribute towards enhancement of quality of life of the under privileged people in our society by providing necessary infrastructure.
- ii. I contribute towards eradication of poverty.
- iii. contribute towards any activity which helps in maintaining ecological balance and improve sustainability
- iv. identify & focus on education as a priority and take up suitable interventions for betterment of educational facilities.

- v. concentrate on health, hygiene and environmental up gradation to make healthy life of the society.
- vi. educate and encourage youth to take up self-employment and vocations to make out livelihood.
- vii. provide support and participate in Government efforts in social, economic and environmental development of the less privileged.

## 5. Scope

- i. The CSR initiatives of the company shall address social, economic and environmental concerns of the society.
- ii. The spirit of the Act is to ensure that CSR initiatives are aligned with the national priorities and enhance engagement of the corporate sector towards achieving Sustainable Development Goals (SDGs) 2.
- iii. Some activities in Schedule VII of Companies Act 2013 transcend geographical boundaries and are applicable across the country. However, for executing CSR projects, the company shall give preference to local areas, while maintaining balance between local area with national priorities. The projects undertaken to address these concerns shall either be in the States where company's business Units are located and/or other areas such as aspirational districts of the country as defined by the Government of India.

## 6. Definitions

- (1) “Act” shall mean the Companies Act, 2013 and the rules made thereunder, including any modifications, amendments or re-enactments thereof.
- (2) “Board” shall mean the Board of Directors of the Company.
- (3) “Company” shall mean AJC Jewel Manufacturers Limited and wherever the context requires, shall signify the Company acting through its Board.
- (4) “Corporate Social Responsibility (CSR)” means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions of 2(d) of the CSR policy Amendment Rules 2021 but shall not include the following namely: -
  - (a) Activities undertaken in pursuance of the normal course of business of the company; or
  - (b) Any activity undertaken by the company outside the India (except for the training of the Indian sports personnel representing any State or Union territory at the national level of India at International Level); or
  - (c) Contribution of any amount directly or indirectly to any political party under section 182 of the Act; or
  - (d) Activities that benefitting the employees of the company as defined in clause (k) of section 2 of the Code in Wages 2019 (29 of 2019); or

- (e) Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services; or
- (f) Activities carried out for the fulfilment of any other statutory obligations under any law in force in India.
- (5) “CSR Committee” shall mean the Corporate Social Responsibility Committee constituted by the Board of the Company in accordance with the Act, consisting of three or more directors out of which at least one director shall be an independent director.
- (6) “CSR Expenditure” means all CSR Expenditure of the Company as approved by its Board upon the recommendation of CSR Committee, including the following:
- i. Contribution to the CSR Projects which shall be implemented and/or executed by the Company;
  - ii. Contribution to the CSR Projects, including the contribution to Corpus, or on projects or programs relating to CSR activities approved by the Board on the recommendation of its Board Level-CSR Committee.
  - iii. Any other contributions covered in areas or subjects specified under the Schedule VII of the Act.
- (7) Contribution of any amount directly or indirectly to any political party under Section 182 of the Act, shall not be considered as CSR Expenditure.
- (8) “CSR Policy” shall mean the present Corporate Social Responsibility Policy of the Company, which covers the activities to be undertaken by the Company [areas or subjects] as specified in Schedule VII to the Act and the CSR Expenditure thereon.
- (9) “CSR Projects” shall mean Corporate Social Responsibility projects/activities/programs/initiatives instituted in India, either new or ongoing and include, but not limited to those undertaken by the Board in pursuance of recommendations of the CSR Committee as per the declared CSR Policy of the Company
- (10) “CSR Rules” shall mean the Companies (Corporate Social Responsibility) Rules, 2014, including any re-enactment, modifications or amendments thereof.
- (11) “Financial Year” shall mean the period beginning from 1<sup>st</sup> April of every year to 31<sup>st</sup> March of the succeeding year.
- (12) “Local Area” shall mean the States where the Company operates its business.

(13) “Net Profit” shall mean the net profit as per the Act and the rules based on which the specific percentage of CSR Expenditure has to be calculated

(14) “Ongoing Project” means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification

(15) Section means a section of the Act.

Words and expression used and not defined in this CSR Policy shall have the same meanings respectively assigned to them in the Act and/or Rules.

## **7. Applicability of the CSR Provisions**

This CSR Policy applies to all CSR initiatives undertaken by the Company in India in accordance with Section 135 of the Act.

According to Section 135 (1) of the Companies Act, 2013, CSR provisions apply to companies having:

- Net worth of ₹500 crore or more; or
  - Turnover of ₹1000 crore or more; or
  - Net profit of ₹5 crore or more
- during the immediately preceding financial year.

## **8. Constitution of the CSR Committee**

Keeping in line with Section 135 of the Companies Act, 2013 and the rules made thereunder, the Board shall form a CSR Committee to *inter alia*, carry out the following functions:

- a) to formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified under Schedule VII of the Act and the rules made thereunder;
- b) to recommend the amount of expenditure to be incurred on the CSR activities;
- c) to monitor the implementation of framework of CSR Policy;
- d) to carry out any other function as mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate.

## **9. Area of Initiative**

The Board shall take up CSR initiatives in line with SCHEDULE VII of the Companies act (as amended time to time) in the following broad areas:

- i. **Empowering through Sustainable Livelihood Initiatives Category:** 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. **Financial Literacy:** Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and differently abled and livelihood enhancement projects
- iii. **Inclusion Category:** 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. **Environmental Sustainability Category:** Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, 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 the rejuvenation of the river Ganga 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
- v. Measures for the benefits 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.
- vi. **Promotion of Sports Category:** Training to promote rural sports, nationally recognized sports, Paralympics Sports and Olympic sports
- vii. **Contributions to specified funds:** Contribution to Prime Minister's 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 Government for socio-economic development and relief and welfare of the Schedule Castes, the Scheduled Tribes, other backward classes, minorities and women
- viii. **Contribution to Innovation category:** (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).

## 10. CSR Expenditure

- i. In every Financial Year, the combined budgetary allocation for CSR expenditure for a year shall be at least 2% of average net profits of the company made during immediate three preceding financial years. 'The average Net profit' shall be calculated in accordance with the provision of Section 198 of the Act. This budgetary allocation will need to be approved by the Board on recommendation of the Board Level- CSR Committee. The company shall strive to maximize its spending on CSR activities.
- ii. The allocated funds for CSR activities of the financial year shall be utilized during the year. However, the unspent amount will not lapse and will, instead, be carried forward to the next year

for the utilization. Also the reasons for failure to spend the required amount on CSR activities shall be brought out in the Directors' Report section of Annual Report.

- iii. The annual budget for CSR may be spent on implementation of activities in the project mode also, which entails charting the stages of execution in advance and prescribed timelines. CSR expenditure shall include all expenditure including contribution to Corpus, or on projects or programs relating to CSR activities approved by the Board on the recommendation of its Board Level - CSR Committee.

## **11. Implementation of CSR Activities**

CSR activities may be undertaken:

- Directly by the Company; or
  - Through:
    - i. Registered trusts or societies
    - ii. Section 8 companies
    - iii. Entities registered with the Central Government (with CSR Registration Number)
      - Companies shall ensure that implementing agency they are engaging with:
        - (i) Obtain a new CSR Registration Number
        - (ii) Hold approval under Section 80G of the Income Tax Act, 1961
        - (iii) Are registered under Section 12A or hold an exemption under sub-clause (iv), (v) or (via) of the Clause (23C) of Section 10 of the Income Tax Act, 1961;
        - (iv) In cases where the agency is not established by the Central or State Governments, Company shall ensure that such agency demonstrates a three (3)- year track record of CSR activity.
- Preference shall be given to local areas and areas around where the Company operates.

## **12. Annual Action Plan**

The CSR Committee shall formulate and recommend an Annual Action Plan including:

- \* List of CSR projects/programs
- \* Manner of execution
- \* Fund allocation
- \* Implementation schedules
- \* Monitoring and reporting mechanisms

The Board may alter the plan based on reasonable justification.

## **13. Monitoring and Reporting**

- The Company recognises that regular and robust monitoring of the CSR Policy is critical for effective implementation of CSR activities.
- The implementation and monitoring of the CSR Projects and activities will be overseen by the CSR committee.
- Monitoring of the CSR activities shall be done periodically.

## **14 Treatment of Unspent CSR Amount**

If the Company fails to spend the required amount in a particular financial year, the treatment of unspent CSR amount shall be as under:

(a) in cases of unspent amount not relating to an ongoing project:

- the Board in their Annual Report pertaining to that particular Financial Year will specify the reasons for not spending the amount; and
- the Company shall transfer such unspent amount to a Fund specified in Schedule VII, within a period of six(6) months of the expiry of the financial year.

(b) in cases of unspent amount related to any ongoing project:

- The Company will open a special account in any schedule bank which will be known as the “Unspent Corporate Social Responsibility Account” and transfer such unspent amount, within a period of thirty (30) days from the end of such financial year; and
- Such amount shall be spent by the Company in pursuance of its obligations towards the CSR Policy within a period of three (3) financial year from the date of such transfer.
- In cases where, after completion of 3 years, the amount remains unspent, the Company shall transfer the same to a Fund specified under Schedule VII of the Act, within a period of 30 days from the date of completion of the 3<sup>rd</sup> Financial Year.

## **15. Impact Assessment**

Every company having average CSR obligation of Rupees ten crore (INR 10,00,00,000) or more in the three (3) immediately preceding financial years, shall undertake impact assessment, through an independent agency of:

- CSR Projects having outlays of Rupees one crore (INR 1,00,00,000) or more; and
- Which have been completed not less than one (1) year before undertaking the impact study.

## **16. Disclosure**

The Company will comply with all the statutory guidelines, issued on this subject and ensure that it makes full disclosures of its CSR activities in the Annual Report as mentioned in the Act/Rules.

- The Company’s engagement in this domain shall be disseminated on its website, annual reports, and/or its in-house journals as and when deemed fit.
- The Company shall disclose the composition of CSR Committee, CSR Policy, and the Projects approved by the Board on its website.
- CSR annexure in the Annual Report, web link of the CSR Policy along with the salient features of the CSR Policy and the details of the change (if any) during the financial year, shall be disclosed in the Board’s report.

## **17. Amendments**

The CSR Committee shall review the CSR Policy from time to time based on the changing needs and make suitable modifications as may be necessary with the approval of the Board. In case of any amendment(s), clarification(s), circular(s) etc issued by the relevant authorities, not being consistent with the provisions laid down under the CSR Policy, then

such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s).

\*\*\*\*\*