



**CORPORATE SOCIAL RESPONSIBILITY POLICY**

## **POLICY ON CORPORATE SOCIAL RESPONSIBILITY**

### **Preamble**

Kalyan Jewellers India Limited (Kalyan) as a corporate citizen and enterprise believes that businesses are built around strong social background and inclusive growth and it is bounden duty of the business to support the society, though voluntarily, in helping to improve the quality of living. Kalyan aims to do its business in a responsible manner and develop a sustainable business model. As a matter of minimum requirement, Kalyan would do its business in accordance with the laws that apply from time to time and adhere to applicable rules, regulations, policies and procedures.

Kalyan Jewellers India Ltd had incorporated a public Trust under the name 'Kalyan Jewellers Foundation' on March 21, 2019 to undertake the CSR activities more effectively and a part or full of the CSR funds will be transferred to this Trust based on the recommendation of the CSR Committee of the Company. However for the time being, CSR activities are directly done by the Company and after normalization of business, CSR activities will be done through the foundation.

### **Applicable Law**

Section 135 of the Companies Act, 2013 read with Schedule VII of the Act and the CSR Policy Rules 2014 ("Rules") and other applicable provisions of the Companies Act, 2013.

### **Authority and Objectives**

This CSR Policy has been formulated and approved by the Board of Directors at its meeting held on 03<sup>rd</sup> October, 2014. It the lays down the guiding principles for Kalyan to undertake certain activities in accordance with Applicable Law towards its Corporate Social Responsibility [CSR], which activities shall be known as CSR Activities. To incorporate amendments brought about to the provisions of Section 135 of the Act and the Rules, a need has been felt to thoroughly revise the policy and hence this policy has been framed.

### **Applicability**

The CSR Policy applies to the specific CSR activities Kalyan would undertake as part of its initiatives in compliance of Applicable law.

## **CSR Committee**

CSR Committee means a committee of the Board of Directors of Kalyan consisting of not less than 3 members of the Board of which one member shall be an Independent Director.

### **Role of the CSR Committee includes:**

- i) To formulate and recommend to the Board of Directors the CSR Policy.
- ii) To monitor and review the CSR Policy and recommend modifications from time to time.
- iii) To specify the thrust areas in which CSR Activities of Kalyan may be directed within the various CSR Activities stipulated in the Applicable Law.
- iv) To recommend to the Board of Directors the local and other areas in which Kalyan may undertake its CSR Activities.
- v) To recommend to the Board the manner in which Kalyan may undertake its CSR Activities.
- vi) To formulate and recommend to the Board of Directors a CSR Budget.
- vii) To Provide guiding principles for selection, implementation and monitoring of projects
- viii) To Provide approach and direction given by the Board towards CSR projects / spend
- ix) To Formulate Annual Action Plan based on CSR objectives and spend plan
- x) To identify suitable executives of Kalyan who can coordinate with external agencies that can implement the projects and programmes of Kalyan for undertaking its CSR Activities.
- xi) To suggest ways and means for developing in house resources for directly undertaking CSR Activities.
- xii) To provide the mode of implementation either directly by Kalyan or through a CSR vehicle of Kalyan or third parties including through collaborative projects
- xiii) To study possibilities of undertaking CSR Activities on a consortium model in association with other corporate houses for bringing long term benefits to the society while undertaking CSR Activities.
- xiv) To install a monitoring mechanism to ensure that the funds allocated by Kalyan for undertaking CSR Activities are applied in a manner that achieves desired results for the larger benefits of the society.

## **CSR Activities**

Kalyan may undertake CSR activities of the following nature and may undertake any other CSR activities as may be approved by the CSR Committee from time to time as are falling under schedule VII of the Companies Act, 2013. However, the focus areas could be:

### **i. Promotion of Quality Education**

Kalyan may undertake projects or programs or activities aimed at the promotion of elementary to professional education and to support the students belonging to weaker sections of the society by way of setting up schools, colleges, coaching centers, providing scholarships, libraries, text books and other study materials, vocational training centers and centers for physically challenged students, providing endowments or other forms of recognitions to successful candidates pursuing recognized examinations, scholarships or other forms of merit cum means assistance etc.

### **ii. Promotion of Health care**

Kalyan may undertake projects or programs or activities aimed at improving the health and hygiene of the socially or economically weaker sections , families Below Poverty Line (BPL) by providing free or subsidized medicine, clinical laboratory facilities, free or concessional treatments at hospitals, providing medical equipments, setting up of medical and diagnostic camps, free medical insurance for a group of people or families in the BPL category, projects or programs aimed at eradicating poverty or malnutrition of women and children, pain and palliative care etc.

Kalyan may also support health infrastructure and establishment of medical oxygen generation and storage plants to fight COVID-19, as per the Government directives.

### **iii. Hunger, poverty, malnutrition and health**

Eradicating extreme hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water.

### **iv. Rural Development Projects**

Strengthening rural areas by improving accessibility, housing, drinking water, sanitation, power and livelihoods, thereby creating sustainable villages.

Apart from the above thrust areas, Kalyan may undertake the following CSR Activities too depending upon needs:

- i. Improving the livelihood, employability and income generation of the communities around our units of Kalyan
- ii. 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;
- iii. 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;
- iv. Measures for the benefit of armed forces veterans, war widows and their dependents;
- v. Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sport;
- vi. Contribution to Prime Minister's National Relief Fund or any other fund set up by the Central Government for Socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.
- vii. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- viii. Slum area development.
- ix. Contribution to disaster management, including relief, rehabilitation and reconstruction activities.
- x. 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 Contribution 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).

The Company will also make a significant Contributions to COVID -19 relief activities as per the various notifications and directives issued by the Central and State government bodies.

### **Effects of interpretations/clarifications and amendments on projects/ programs /activities**

The objective of the policy is to act as a guideline for Kalyan in its endeavor to undertake socially relevant activities that will result in the overall objective of the company to create societal capital/assets for the common good and the list of activities shall be interpreted in a manner that will advance the objective. The policy shall be deemed to have amended or modified to the extent of any modification/ amendments or clarifications issued by the Central Government from time to time in relation to the CSR obligations of Companies and shall be interpreted accordingly.

### **Execution of projects/programs**

Kalyan may undertake one or more projects or programs or activities provided in the policy either as its own or through any implementation agency. It shall be the endeavor of Kalyan to build necessary capabilities to implement the CSR projects on its own in the long run. It can also acquire the services of experts in respective fields by appointing them as consultants in a particular program or project.

### **CSR Activities in Partnership**

Kalyan may undertake programs in collaboration with other companies only in cases where such programs are separately reportable in the CSR report of participating companies.

### **Monitoring of CSR Activities**

CSR committee will be responsible for the monitoring of various CSR projects or programs undertaken by the company directly or indirectly. The Committee shall ensure that:

- i. Kalyan undertakes the CSR activities as provided in the CSR policy
- ii. The projects/ programs are implemented as per the program approved by the Committee
- iii. The budget allocated for each of the project is utilized for the projects as per the approved plans.
- iv. The CSR projects are implemented as per Annual Plan approved by the Committee.
- v. The objective of the project/ program is achieved as per the Annual Plans
- vi. Proper monitoring and reporting is maintained towards end use of CSR funds and achievement of CSR goals.
- vii. Wherever projects/programs are undertaken in partnership with one or more organizations, the part of the project or program undertaken by Kalyan shall be distinguishable and necessary supporting documents in respect of the same shall be obtained from the other partners/implementing agency on an annual basis.

- viii. All CSR projects and spends thereto shall be monitored at such intervals as suggested by the Committee and reported to the Committee.
- ix. CSR projects having such budgetary allocations which require impact assessment study to be conducted as prescribed under the Rules shall be subject to impact assessment as decided by the Committee.
- x. The Board may alter the Annual Plan at any time during a financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

Kalyan shall provide necessary resources and human capital for implementation and the effective monitoring of the CSR projects and programs as may be directed by the CSR committee. The services of any external agencies or persons who have experience in the same or similar projects or programs undertaken or proposed to be undertaken by the company may also be made available for successful implementation and monitoring of the project.

#### **Excess CSR Contribution**

Kalyan can also allocate a sum higher than the statutory minimum that is required to be spent statutorily in terms of the Act and the Rules as regards the CSR budget. Such excess allocation and spend can be set off against statutory spend obligation of the Kalyan during the next three financial years.

#### **Certification of CSR spends**

Every CSR spend has to be validated by the CFO / Head of Finance of Kalyan. The CFO / Head of Finance shall report by means of a certificate on CSR project wise spends as per the Annual Plan.

#### **Surplus arising out of CSR**

Any surplus arising out of CSR projects or its operations shall not form part of the business profit of Kalyan and it shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR objectives of Kalyan as per the Annual Plan. If such surplus is not spent then it shall be transferred to a fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

## **Unspent CSR Funds**

If in a financial year there remains unspent CSR amount due to non-commencement of the project or for any other operational reason and if the CSR project is such that the implementation of which will be a multi-year project, then Kalyan has to deposit such unspent amount in a separate account titled Unspent CSR Account of Kalyan before the expiry of 30 days from the date of close of a financial year. The Board of Directors of Kalyan upon recommendation of the CSR Committee is required to certify a CSR project as an ongoing multi-year project and upon such resolution of the Board then the aforesaid deposit of money in a separate account should be made. Such unspent CSR amounts lying in the Unspent CSR Account should be utilised and spent for the multi-year project earmarked for that purpose.

If the Board of Directors upon recommendation of the CSR Committee is of the opinion that there being no identifiable projects for CSR spend or due to such justifiable reason that the Annual Action Plan and the budget set forth could not be implemented, then the amount which are unspent have to be transferred to the specific fund notified by the Government or until then to a fund included in Schedule VII within a period of 6 months of the expiry of the financial year.

## **Amendment of policy**

The CSR policy of the company may be amended at any time by the Board of the company on the recommendation of the CSR committee.

## **Disclosure and Reporting**

On approval of the CSR policy or any amendments thereof, the contents of the policy shall be included in the Boards' report and the same shall be displayed on the web site of the company.

At the end of each financial year, the CSR committee shall prepare a report of the CSR program in the prescribed form relating to the financial year and submit to the board for its inclusion in the Board's report.

As approved by the Board of Directors vide resolution passed on \_\_\_\_\_.