



PC JEWELLER LIMITED

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CORPORATE SOCIAL RESPONSIBILITY POLICY

1) PREFACE

Social responsibility has always been at the forefront of operating philosophy of PC Jeweller Limited (“**Company**”) and the Company strives to contribute to socially responsible activities on a regular basis. The Company believes that to succeed, an organization must maintain highest standards of corporate behaviour towards its employees, customers and the society in which it operates.

The Company has framed Corporate Social Responsibility Policy (“**CSR Policy**”) in compliance with Section 135 of the Companies Act, 2013 and the Rules made thereunder.

CSR Policy outlines the Company’s philosophy as a responsible corporate citizen of India. It also lays down the guidelines and mechanism for undertaking socially useful programs for welfare and sustainable development of the community, in the local area and around areas of operations of the Company and other parts of the country.

2) VISION & MISSION

- To actively contribute to the social, economic and environmental development of the community through sustainable measures and thereby creating value for the nation;
- To ensure socio-economic development of the community through different participatory and need-based initiatives in the best interest of the poor and deprived sections of the society so as to help them to become independent and build a better tomorrow for themselves;
- Consult with local communities to identify effective and culturally appropriate development goals; and
- Partner with eligible trusts, societies etc. for undertaking socially useful programs for the benefit, welfare and sustainable development of different segments of the society at large.

3) DEFINITIONS

- “**Act**” means the Companies Act, 2013, as amended from time to time.

- **“Administrative Overheads”** means the expenses incurred by the Company for ‘general management and administration’ of Corporate Social Responsibility functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring and evaluation of a particular Corporate Social Responsibility project or programme.
- **“Annual Action Plan”** means a plan formulated by CSR Committee and recommended to the Board, in pursuance of CSR Policy, which shall include the following:
 - 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 as specified in the Rules;
 - 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.
- **“Board”** means the Board of Directors of the Company.
- **“Corporate Social Responsibility or CSR”** means the activities undertaken by the Company in pursuance of its statutory obligation laid down in Section 135 of the Act, but shall not include the following:
 - a) activities undertaken in pursuance of normal course of business of the Company;
 - b) any activity undertaken by the Company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
 - c) contribution of any amount directly or indirectly to any political party under Section 182 of the Act;
 - d) activities benefitting employees of the Company as defined in Section 2(k) of the Code on Wages, 2019;
 - e) activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services; and
 - f) activities carried out for fulfilment of any other statutory obligations under any law in force in India.
- **“CSR Committee or Committee”** means Corporate Social Responsibility Committee of the Board constituted pursuant to Section 135 of the Act.

- **“Net Profit”** means the Net Profit of the Company calculated in the manner prescribed under Section 135 of the Act and / or the Rules.
- **“Ongoing Project”** means a multi-year project undertaken by the 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.
- **“Rules”** means the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

Words and expressions used in this Policy and not defined herein but defined under the Act or Rules shall have the meanings respectively assigned to them therein.

4) CONSTITUTION OF CSR COMMITTEE AND ITS FUNCTIONS

In terms of Section 135 of the Act, the Board of the Company has constituted a CSR Committee. The composition of CSR Committee at all times shall be in compliance with the Act. The Committee shall carry out the following functions:

- to formulate / modify / amend and recommend to the Board, a CSR Policy, indicating the activities to be undertaken by the Company in areas or subject, specified in Schedule VII of the Act;
- to recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- to monitor CSR Policy from time to time; and
- to formulate / modify / amend and recommend to the Board an Annual Action Plan.

5) CSR EXPENDITURE

- In every financial year, the Company shall spend at least 2% of the average Net Profits of the Company (calculated in the manner prescribed under Section 135 of the Act and / or the Rules) made during the three immediately preceding financial years.
- Administrative Overheads shall not exceed 5% of total CSR expenditure of the Company for the financial year.
- Any surplus arising out of CSR activities shall not form part of the business profit of the Company and shall be ploughed back into the same project or programme or shall be transferred to the Unspent CSR Account and spent in pursuance of this Policy and Annual Action Plan of the Company or transfer such surplus amount to a fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.

- If the Company spends any amount in excess of its CSR obligation during any financial year, such excess amount may be set off against the future CSR obligations of the Company of subsequent year(s), in terms of the Act and / or the Rules.
- In case, the Company fails to spend the prescribed CSR amount in any financial year, the Board shall in its report under Section 134(3) of the Act, specify the reasons for not spending the amount and the transfer requirements of unspent amount, as specified under the Act and / or the Rules from time to time shall be complied with.

6) CSR ACTIVITIES

CSR programmes or projects to be undertaken by the Company in terms of CSR Policy, shall relate to one or more activities in the areas or subject specified in Schedule VII of the Act from time to time.

7) GUIDING PRINCIPLES FOR SELECTION, IMPLEMENTATION AND MONITORING OF CSR ACTIVITIES

I) SELECTION

- The Company shall undertake CSR activities in India, with preference to the local area and areas around it where it operates.
- The Company shall not discriminate against the beneficiaries of CSR activities on any grounds including caste, creed, gender, race, religion, domicile, disability, sexual orientation etc.
- The Company will select CSR activity on the basis of its relevance and importance to the society. Such CSR activity shall relate to one or more activities in areas or subject, specified in Schedule VII of the Act, from time to time, including any emergent situation arising out of natural calamity, disaster, pandemic etc.

II) IMPLEMENTATION

- CSR activities will be undertaken by the Company through one or more of the following modes:
 - i) directly by the Company; or
 - ii) a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under Section 10 or registered under Section 12A and approved under 80G of the Income Tax Act, 1961, established by the Company, either singly or along with any other company; or
 - iii) a company established under Section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
 - iv) any entity established under an Act of Parliament or a State legislature; or

- v) a company established under Section 8 of the Act, or a registered public trust or a registered society, exempted under Section 10 or registered under Section 12A and approved under 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
- The Company may also collaborate with other companies for undertaking CSR activities in such a manner that CSR Committees of the respective companies are in a position to report separately on such activities.
- CSR Committee shall formulate / modify / amend and recommend to the Board, an Annual Action Plan in pursuance of CSR Policy. The details of CSR activities to be undertaken during a financial year shall be set-out in Annual Action Plan. The Board may alter Annual Action Plan at any time during a financial year, as per the recommendation of CSR Committee, based on the reasonable justification to that effect.

III) MONITORING

- In order to ensure effective implementation of CSR projects or programmes, CSR Committee while approving projects or programmes to be undertaken by the Company during a financial year, will decide the implementation schedule and frame suitable project-specific monitoring mechanism.
- The CSR projects or programmes will be monitored using appropriate monitoring tools that may include field visits, periodical reports from Implementation Agency, third party audit or certification, self-assessment reports or any other appropriate mechanism.
- In case of Ongoing Project(s), the Board shall monitor the implementation of the project.
- The Board or CSR Committee may delegate the powers / authorise one or more senior executives / officers of the Company, as deemed fit and necessary, to select, implement and monitor CSR activities.
- The Committee shall on completion of every financial year, submit to the Board, a report on details of the CSR spent / unspent during the financial year and specify the reasons for the actual expenditure being less than the prescribed limits.

8) IMPACT ASSESMENT

- In case, the Company has average CSR obligation of ₹ 10 crore or more in pursuance of Section 135 of the Act, in the three immediately preceding financial years, it shall undertake impact assessment, through an independent agency, of its CSR projects having outlays of ₹ 1 crore or more, and which have been completed not less than one year before undertaking the impact study.
- The impact assessment report shall be placed before the Board and shall form part of Annual Report on CSR.
- The Company may book the expenditure incurred on undertaking impact assessment towards CSR for that financial year, in terms of the Act and / or the Rules.

9) DISCLOSURES

The Board shall disclose the composition of CSR Committee as well as the contents of CSR Policy in its report and publish the Policy on the website of the Company.

The Directors' Report of the Company shall include an Annual Report on CSR as per the prescribed format.

10) GENERAL

The interpretation of the Chairman of CSR Committee on the provisions of this Policy shall be final.

11) AMENDMENT

The Board may upon the recommendation of CSR Committee amend, modify or revise this Policy, as and when necessary, subject however to the provisions of the Act and the Rules.

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