

SOVEREIGN METALS LIMITED

(CIN: U27109GJ2012PLC069162)

Corporate Social Responsibility Policy

(CSR Policy)

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1. Preamble:

Company is carrying on the business of dealing in all kinds of metals and alloys including Gold, Silver and Platinum Group and with the growth and development of the Company, Company has come within the ambit of section 135 of the Companies Act, 2013 i.e. CORPORATE SOCIAL RESPONSIBILTIIY and this CSR Policy is framed pursuant to provision of section 135 of the Companies Act, 2013,

This CSR Policy will contribute to activities listed in the Schedule VII of Section 135 of the Companies Act, 2013 and rules framed thereunder.

2. Various Definitions related to CSR:

a) "Act":

Act Means the Companies Act, 2013 and further amendments thereto, if any.

b) "Corporate Social Responsibility" hereinafter known as CSR:

CSR means and includes but is not limited to :-

(i) Projects or Programs relating to activities specified in Schedule VII to the Act; or

(ii) Projects or Programs relating to activities undertaken by the Board of Directors of a Company(Board) in pursuance of recommendations of the CSR Committee of the Board as per declared CSR Policy of the Company subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act.

c) "CSR Committee":

Means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.

3. Objectives of CSR Activities in the Company:

The main objective of CSR policy is to make CSR a key business process for sustainable development of the society. Company will act as a good corporate citizen and aims in enhancing the welfare measures of the society within the framework of its policy. Policy will contribute to activities listed in the Schedule VII of Section 135 of the Companies Act, 2013 in accordance with rules framed under.

4. Policy Statement:

The CSR Policy focuses on addressing critical social, environmental and economic needs of the marginalized/underprivileged sections of the society. Through this policy, we align our CSR strategy with the Company's vision and goals. We adopt an approach that integrates the solutions to these problems into the strategies of the company to benefit the communities at large and create social and environmental impact.

The key purpose of this policy is to:

- Strive for economic development that positively impacts the society at large with minimal resource footprint.
- Demonstrate commitment, responsible business practices and good governance
- Define the kind of projects that will come under the ambit of CSR
- Identify broad areas of intervention in which the company will undertake projects
- Serve as a guiding document to help execute and monitor CSR projects
- Elucidate criteria for partner implementation agencies

The CSR projects or programs or activities undertaken in India only, shall amount to CSR expenditure. The CSR Policy mandates that the surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company.

5. Scope of CSR activities in the Company:

The Company shall undertake various CSR Activities pursuant to Schedule VII as amended of the Act such as:

- i. eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- ii. promoting education, including special education and employment enhancing vocation skills especially among children, women, 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, day care centers 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, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
- 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 arts and handicrafts;
- vi. measures for the benefit of armed forces veterans, war widows and their dependents;
- vii. training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;

- viii. contribution to the 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;
- ix. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
- x. rural development projects
- xi. Collaborative partnerships are formed with the Government, the District Authorities, the village panchayats, NGOs and other like-minded stakeholders. This helps widen the Company's reach and leverage upon the collective expertise, wisdom and experience that these partnerships bring to the table.

and various other activities with the approval of Board of Directors on the recommendation of CSR Committee subject to the provisions of Section 135 of Companies Act, 2013 and rules made there-under.

This policy applies to all our CSR projects and it will be further reviewed and updated.

6. Governance Structure:

We have constituted a robust and transparent governance structure to oversee the implementation of our CSR Policy, in compliance with the requirements of Section 135 of the Companies Act, 2013 and rules framed thereunder.

6.1 Board-level CSR Committee:

At The Company, our CSR governance structure will be headed by the Board level CSR Committee that will be ultimately responsible for the CSR project undertaken. The Committee will report to our Board of Directors

6.2. Composition of CSR Committee:

Composition of CSR Committee is as under:

- 1) Mr. Kaushik C. Lodhiya - Chairman
- 2) Mr. Chimanlal L. Lodhiya - Member
- 3) Mr. Hasmukhlal P. Delawala - Member

7. Responsibilities and Role of Committee:

- Formulate, Review and update our CSR Policy as and when required, which will be approved by the Board of company and indicate the activities to be undertaken by the company as specified in Schedule VII.

- Recommend the CSR expenditure to the Board of company for the referred activities.
- Suggest areas of intervention to the Board of company
- Institute a transparent monitoring mechanisms in place to track the progress of each project
- Meet at least once a year to review the progress made.
- To review and confirm that information relating to CSR activities and CSR Expenditure disseminate properly i.e. on its website, Board Reports and its house journals as and when deem fit.
- Committee will take precaution that CSR expenditure shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board on the recommendation of the CSR Committee, but does not include any expenditure on any item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act 2013.

8. CSR Budget:

The total budget for the CSR projects will be decided by the CSR Committee. A specific budget is allocated for CSR activities and spending on CSR activities shall not be less than 2% of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of this policy. In case Company fails to spend such amount, the Board shall specify the reasons for not spending the amount.

9. Treatment of Surpluses

Any surplus generated from CSR projects undertaken by us will be tracked and channelized into our CSR corpus. These funds will be further used in development of the CSR projects and will not be added to the normal business profits.

10. CSR Committee Responsibility Statement:

Our Corporate Social Responsibility policy conforms to the Section 135 of the Companies Act, 2013 on Corporate Social Responsibility as spelt out by the Ministry of Corporate Affairs, Government of India and Implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board of,
Sovereign Metals Limited

Kaushik C. Lodhiya
Chairman
DIN: 02060605

Policy is amended by the board of directors on 11-11-2021