



Corporate Social Responsibility (CSR) Policy

Jayant Agro-Organics Limited

CSR Policy:	Version- 2	
Approved by :	CSR Committee	
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1. CONTEXT

While JAOL continues its manufacturing activities related to building products and packaging, it has not lost sight of its commitment to play its role as an enlightened corporate citizen. Corporate Social Responsibility has always been on its agenda. Further pursuant to Section 135 of the Companies Act, 2013, and Companies (Corporate Social Responsibility Policy) Rules, certain class of companies are required to Corporate Social Responsibility Committee ('CSR Committee') and shall formulate CSR Policy.

The CSR Committee so constituted shall formulate Policy on Corporate Social Responsibility (CSR Policy) and recommended the same to the Board of Directors of the Company ('Board') for its approval. The Board vide its resolution dated 5th July, 2014 approved and adopted the CSR Policy with retrospective effect from 1st April, 2014

1.1 Objectives of the Policy:

As a corporate entity, JAOL acknowledges its obligation to contribute to the economic development of the State and the country while improving the quality of life of its workforce and their immediate families as well as of the community and society at large. While undertaking statutorily required CSR projects / programmes within India, the Company will consistently strive for opportunities to meet the expectation of its stake holders by pursuing the concept of sustainable development with focus on improving the quality of life. The Company also places emphasis on development of knowledge and skills in the young, both male and female, in order to make them economically productive. This Policy shall be read in line with Section 135 of the Companies Act, 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other rules, regulations, circulars, and notifications (collectively referred hereinafter as 'Regulations') as may be applicable and as amended from time to time and will, inter-alia provide for the following:

- Establishing a guideline for compliance with the provisions of Regulations to dedicate percentage of Company's profits for social projects.
- Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting
- Creating opportunities for employees to participate in socially responsible initiatives.

1.2. Definitions:

In this Policy unless the context otherwise requires:

- a) 'Act' means Companies Act, 2013;
- b) "SEBI (LODR) or SEBI (LODR) Regulations, 2015 shall mean SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and shall also include any amendments, modifications or supplements, etc. from time to time;



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- c) 'Corporate Social Responsibility' means Corporate Social Responsibility (CSR) as defined in Section 135 of the Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014;
- d) 'Ministry' Means the Ministry of Corporate Affairs;
- e) 'Net Profit' means net profit as defined in Section 135 of the Companies Act 2013 and (Companies Corporate Social Responsibility Policy) Rules 2014, which in turn would be calculated in accordance with the provisions of section-198 of the Act;
- f) Words and expressions used in this CSR Policy and not defined herein but defined in the Act shall have the meaning respectively assigned to them in the Act.

1.3. CSR Activities

The Policy recognizes one or more of the following focus areas as notified under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014:

- 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.
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- 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.
- 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.
- 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;
- Measures for the benefit of armed forces veterans, war widows and their dependents;
- Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports



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- 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 schedule caste, tribes, other backward classes, minorities and women;
- Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);
- Rural development projects;
- 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.

- Disaster management, including relief, rehabilitation and reconstruction activities
- And such other programs/activities which are allowed under the provisions of the Companies Act, 2013 for time to time.

CSR activities shall be undertaken as projects, programs of activities (either new or ongoing) excluding activities undertaken in pursuance of the normal course of business of the Company.

1.4. The Geographic reach

The Act provides that the Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility. However, the Committee may identify such areas other than stated above, as it may deem fit, and recommended it to the Board for undertaking CSR activities.

1.5. Annual spends/ Allocation of Funds

1.5.1 The Company would spend atleast 2% of the average Net Profits of the Company made during the three immediately preceding financial years. The surplus arising out of the CSR activity will not be part of business profits of the Company. The Corpus would thus include atleast 2% of average net profits, as aforesaid, any income arising there from and surplus arising out of CSR activities.

1.5.2 The Company may build CSR capacities of its personnel and/or those of its implementing agencies through Institutions with established track records of at least three financial years but



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such expenditure shall not exceed five percent of total CSR expenditure of the Company in one financial year.

1.5.3 However if the Company ceases to be covered under sub-section (1) of Section 135 of the Act for three consecutive financial years, then it shall not be required to constitute a CSR Committee and comply with the provisions laid down under sub-section (2) to (5) of the said section, till such time it meets the criteria specified in sub-section (1) of the Act.

2. CSR COMMITTEE

2.1. Guiding Principles for Constitution of CSR Committee

The CSR Committee will consist of three directors, out of which at least one director shall be independent director.

The Committee will meet atleast twice in a year to discuss and review CSR activities and Policy. A quorum of two members is required to be present for the proceedings to take place. Such other meetings of the Committee can be convened as and when deemed appropriate. The Committee members may attend the meeting physically or via such audio-visual means as permitted under the Act. The Committee shall have the authority to call such employee(s), senior official (s) and or externals, as it deems fit. The Company Secretary shall act as Secretary to the Committee.

2.2 Committee Members

Sr. No	Name of the Member	Chairman/Member
1.	Mr. Deepak Bhimani	Chairman
2.	Mr. Abhay V. Udeshi	Member
3.	Mr. Hemant V. Udeshi	Member

2.3 Scope of Functions of CSR Committee

2.3.1 Notified CSR Activities:

The Functions of CSR Committee will, inter-alia, include the following

- a) eradicating extreme hunger and poverty;
- b) promotion of education;
- c) promoting gender equality and empowering women;
- d) reducing child mortality and improving maternal health;
- e) combating human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
- f) ensuring environmental sustainability;
- g) employment enhancing vocational skills;
- h) social business projects;
- i) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Schedule Castes, the Schedule Tribes, other backward classes, minorities and women;



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- j) Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);
- k) such other activities as may be prescribed under the Companies Act, 2013 from time to time

2.3.2 Ancillary Activities:

- a) To publicize the CSR Policy and initiatives org-wide, especially through mailers, screensaver and Policy documentation and upload(s) on website.
- b) To plan and carry out workshops to increase employee awareness on various projects and initiatives.
- c) Such other activities as directed by the Board of Directors of the Company and/or as deemed appropriate and expedient by the Committee for the furtherance of CSR objectives of the Company, in pursuance with the Regulations.

2.3.3 Transparent Monitoring Mechanism:

The CSR Committee, shall prepare a transparent monitoring mechanism for ensuring implementation of the projects / programs / activities proposed to be undertaken by the Company.

The CSR Committee shall have the authority to obtain professional advice from external sources and have full access to information contained in the records of the Company as well as the powers to call any employee / external consultant or such other person(s) and for such purpose as may be deemed expedient for the purpose of accomplishments of overall CSR objectives laid down under the Act.

3. PROCEDURES

3.1 Funding

1. As per the Regulations the Company will set aside, for annual CSR activities, at least 2% of the average Net Profits of the Company made during the three immediately preceding financial years.
Provided that all reasonable efforts will be made to ensure that the annual CSR allocation is fully utilized in the respect year. However, if the Company fails to spend such amount, the Board of Directors shall, in its report under clause (o) of sub-section (3) of section 134 of the Act, shall specify the reasons for not spending the amount
2. Annexure II contains the details of the proposed expenditure for respective Financial Year, towards CSR activities. The same shall be amended annually according to the Financial Year after the review by the Committee or at such time, as the Committee may deem fit.



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3. Tax treatment of CSR spend will be in accordance with the Income Tax Act, 1961 as may be notified by Central Board of Direct Taxes (CBDT).

3.2 Planning and Implementation

1. A list of CSR projects/programmes which the Company plan to undertake during the implementation year will be laid down before the committee at the beginning of each year, specifying modalities of execution in the areas/sectors chosen and implementation schedules for the same.
2. Identification of projects and the executing agency/NGO will be made, inter-alia, by assessing the following:
 - a) Project Objectives;
 - b) Baseline survey – As-is and To-be state basis, accordingly the outcome of the project will be measured;
 - c) Implementation schedules – Timeless for milestones of the project will need to be prescribed and agreed upon;
 - d) Responsibilities and authorities;
 - e) Major results expected and measurable outcome including the expenses/charges ration as against the actual CSR spend.
3. If the Company decides to set up a Trust or Section 8 Company, or Society or Foundation or any other form of entity operating within India to facilitate implementation of its CSR activities in accordance with its stated CSR Policy, the following shall apply:
 - a) The Company would need to specify the projects/programmes to be undertaken by such an organization, for utilizing funds provided by it;
 - b) The Company shall establish a monitoring mechanism to ensure that the allocation is spent for the intended purpose only.
4. The Company may also conduct/implement its CSR programmes through Trusts, Societies, or Section 8 companies operating in India, which are not set up by the Company itself, herein collectively referred to as 'CSR Partner' or 'CSR Partner(s)'.
5. Such spends may be included as part of its prescribed CSR spend only if such organizations have an established track record of at least three years in carrying on activities in related areas.
6. Company may collaborate or pool resources with other companies to undertake CSR activities within India.

3.3. Projects / Partners

CSR Committee in consultation of the Board of Directors of the Company will identify suitable projects for implementation in line with the objectives of the Company and requirements laid down under the Regulations. These projects would be executed either directly by the Company and/or through CSR Partner(s).



3.4. Criterion for CSR Partner(s) and Agreement

1. While identifying projects, CSR Committee will assess CSR Partner(s) organizations who would execute the projects at the grass root level. At a minimum they need to meet the following criteria:
 - a) CSR Partner has a permanent office/address in India;
 - b) The CSR Partner is a Trust, Society, or Section 8 Company having an established track record of three years in undertaking similar CSR programs or projects in pursuance with the relevant regulations;
 - c) Possesses a valid income-tax Exemption Certificate;
 - d) The antecedents of the CSR Partner are verifiable;
 - e) Have requisite framework to report progress/status of the projects on a quarterly basis on agreed parameters;
 - f) Maintain a required level of auditable records on the CSR initiatives conducted in conjunction with JAOL as agreed mutually.
2. Once the project/programme is approved, JAOL and the CSR Partner will be required to enter into an agreement as per the standard MOU requirements.

3.5. Review and Reporting

The CSR Committee will review the philanthropic activities of the Company and will provide progress update to the Board of Directors every six months/such other intervals as deemed fit.

The Company will report, in the prescribed format as set out herein as Annexure I, the details of CSR initiatives and activities of the Company in the Directors' Report and on the website of the Company, as required under the Regulations. Such reporting will be done, pertaining to financial year(s) commencing on or after the 1st day of April 2014.

4. MONITORING

1. Appropriate documentation and amendments of the CSR Policy, annual CSR activities, reports on execution by CSR Partner(s) and expenditures will be undertaken on a regular basis and same will be available to the Board of Directors of the Company.
2. Initiatives undertaken on the CSR front will be reported in the Annual Report of the Company.
3. The CSR Committee and persons / entities authorized by it, will conduct due diligence checks on the current projects/partners on a quarterly basis and report anomalies, if any, immediately.
4. Based on analysis of current projects, carry out roadmap planning for allocation of budget and selection of projects. The same will be done atleast once in a financial year.



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5. Plan and publish an annual calendar of major events so as strive for maximum participation of stakeholders.

5. AMENDMENTS TO THE POLICY

The Board of Directors on its own and/or as per the recommendations of CSR Committee can amend this Policy, as and when required as deemed fit. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the Regulations on the subject as may be issued from relevant statutory authorities, from time to time.



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Annexure I

Format for the Board of Directors report on CSR to form part of the Annual Report and website of the Company

1. Brief outline of Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs.
2. The composition of the CSR Committee.
3. Average Net Profit of the Company for last three financial years.
4. Prescribed CSR Expenditure (two percent of the amount as in item No.3 above)
5. Details of CSR spent during the financial year:
 - a. total amount to be spent for the financial year:
 - b. amount unspent:
 - c. Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR Project/ Activity identified	Sector in which the project is covered	Projects/ programmes: 1 Local area/ others 2 Specify the state and district where projects or programmes were undertaken	Amount outlay (budget project/ programmes wise	Amount spent on the project/ programs Subheads: 1. Direct expenditure on project 2. Overheads	Cumulative expenditure upto the reporting period	Amount Spent: Direct/ through implementing agency*

*Details of Implementing Agency:

6. In case the Company fails to spend atleast 2% of the Average Net Profit (INR) of the last financial years, the reasons for not spending the amount shall be stated in the Board report.
7. Responsibility statement, of the CSR Committee, that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

.....
(Chief Executive Officer/
Managing Director/Director)

.....
(Chairperson CSR Committee)



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Annexure II

Sr. No.	Project Name	Amount (Rs.)
I	Total Amount Available for CSR Activities during FY	
II	Identified Projects:	
	Total amount for identified projects	
III	Balance amount not yet allocated to any project. To be determined by the CSR Committee during the course of the year.	

The aforesaid projects will be implemented by CSR Committee under the overall supervision and monitoring of the Board of Directors of the Company.