

# JYOTHY LABORATORIES LIMITED

---

## Corporate Social Responsibility Policy

---

### 1. Introduction

The Board of Directors (the “Board”) of Jyothy Laboratories Limited (the “Company”) has adopted the following policy and procedures with regard to Corporate Social Responsibility (CSR). This Policy shall be called ‘Corporate Social Responsibility Policy’ (CSR Policy).

### 2. Objective

The objective of the Corporate Social Responsibility (CSR) Policy is to define the contribution which the Company can make towards its Corporate Social Responsibility, the geographical limits within which it envisages to make such contribution, the chosen activities, programs or projects for its CSR activities and the control and reporting mechanism which will ensure proper functioning of such CSR activities to the optimum results.

### 3. Definitions:

“**Board or Board of Directors**” means the Board of Directors of the Company as constituted from time to time.

“**Company**” means Jyothy Laboratories Limited

“**CSR Activities**” means the activities which are undertaken or to which allocation is made by the Company under this CSR Policy, as amended from time to time.

“**CSR Committee**” means the Corporate Social Responsibility Committee of the Board of Directors of the Company.

“**CSR Policy**” means this Corporate Social Responsibility policy of Jyothy Laboratories Limited.

“**CSR provisions**” means the regulatory provisions governing the CSR activities including the relevant section, rules and schedule under the Companies Act, 2013 or any other act or law as may be applicable from time to time.

### 4. Commitment

The Company is vigilant in its enforcement towards corporate principles and is committed towards sustainable development and inclusive growth. The Company constantly strives to ensure strong corporate culture which emphasizes on integrating Corporate Social Responsibility (CSR) values with business objective. It also pursues initiatives related to quality management, environment preservation and social awareness.

The Company subscribes to the philosophy of compassionate care. It believes and acts on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. This is the cornerstone of the Company's CSR policy.

The Company's Corporate Social Responsibility policy conforms to Schedule VII of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as notified by the Ministry of Corporate Affairs, Government of India.

## **5. Guiding Principles**

To attain its CSR objectives in a professional and integrated manner, the Company shall formulate policies for social development that are based on following guiding principles:

- Adopt an approach that aims at achieving a greater balance between social development and economic development;
- Adopt new measures to accelerate and ensure the basic needs of all people including working towards elimination of barriers for the social inclusion of disadvantaged groups;
- Focus on educating the girl child and the underprivileged by providing appropriate infrastructure, and groom them as future value creators;
- Assist in skill development by providing direction and technical expertise to the vulnerable thereby empowering them towards a dignified life;
- Promote an inclusive work culture;
- Work towards generating awareness for creating public infrastructure that is barrier free, inclusive and enabling for all including the elderly and the disabled;
- Promoting the well being and development of employees and their families through an inspiring corporate culture that encourages good values;
- Employee participation is an important part of developing responsible citizenship. The Company encourages and motivates employees to spend time volunteering on issues pertaining to CSR;
- At the time of local or national crisis, to respond to emergency situations & disasters by providing timely help to affected victims and their families.

## **6. Budget & Allocation of Funds**

The Budget shall be arrived at on computation of:

- a. two percent of the average net profits calculated in accordance with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014;
- b. any income arising there from; and
- c. surplus arising out of CSR activities

Thereafter, a specific budget shall be allocated to a specific project activity. The CSR Committee shall monitor the project expenditure and the surplus arising out of the CSR activity will not be part of business profits of the Company.

The allocation of funds for CSR activities shall not be at the cost of or in place of or instead of the statutory/ contractual obligations of the Company towards the government, banks and financial institutions.

The Company may build CSR capabilities of its own or that of implementing agencies but such expenditure including expenditure on administrative overheads shall not exceed 5% of the amount allocated for CSR activities.

## **7. Areas of Operation of the CSR Activities**

The CSR Activities of the Company shall be conducted within the vicinity of its manufacturing units, sales and regional offices and Head office.

The CSR Committee shall have the power to approve CSR activities in any geographical location/ area within India in case of a project involving relief work after a natural calamity.

In case of contribution to certain approved funds, it may not be possible to direct the use of allocated funds in a particular geographical area, then the CSR Committee shall record such fact.

## **8. Fields of Operation of CSR Activities**

The CSR Committee shall concentrate its CSR Activities in following fields as prescribed by schedule VII of the Companies Act, 2013 as amended from time to time. Presently the prescribed activities should relate to:

- (i) eradicating hunger, poverty and malnutrition, promoting 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;
- (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 centres 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, 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;
- (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 recognised 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) slum area development;
- (xii) such other projects as may be specified by the Central Government from time to time.

Within the framework of the CSR provisions, especially schedule VII of the Companies Act, 2013, the CSR Committee shall have full authority to choose and implement CSR activities/ projects/ programs even if such activities/ projects/ programs do not fall within the preferred fields as mentioned above.

## **9. Prohibited Fields of Operation for CSR Activities**

The Company shall not make any allocations to or undertake any CSR activities, programs or projects which are:

- For the benefit of any particular political party, front or ideology.
- For the benefit of any particular religion, religious belief or religious sect.
- For the benefit of any particular caste or community.
- For the sole benefit of employees of the Company.

Also, the Company shall not make any allocation to or undertake any CSR activities which are outside the scope of the CSR provisions, especially Schedule VII of the Companies Act, 2013.

## **10. Implementation of CSR Activities**

- The Board of Directors shall allocate amount for the CSR activities upon approval of the annual accounts for the immediately preceding financial year, considering the profitability, liquidity and statutory and contractual commitments of the Company.
- The CSR Committee, based on the outlay, will decide upon the CSR activities/ projects to be undertaken during the relevant financial year and allocation for each such activity/ project.
- The CSR Committee will decide the mode of execution of such activities/ projects i.e. whether such activities will be carried out by a registered and approved trust or society or a company with an established track record of not less than three years in undertaking similar programs or projects or they will be carried out by team of persons specifically formed for such purpose(s) or such other mode as is within the scope of the CSR Provisions and most suitable for execution of that particular activity/ project. The CSR Committee may also decide to contribute the entire or part of the amount to any fund as is within the scope of CSR Provisions.

## **11. Reporting and Monitoring Of CSR Activities**

- In case of closed ended projects/ activities, the CSR Committee will, in consultation with the trust/ society/ team carrying out the implementation of the CSR activity (the Implementing agency) decide about the time limit within which the CSR activity/ project is to be completed.
- Depending upon the time period for completion of the activity/ project, the CSR Committee will decide upon the reporting frequency. For instance for shorter project/ activity (say for one year or less) the reporting frequency may be quarterly or even monthly. For a project/ activity of a medium duration (say for two to three years) the

reporting frequency may be half yearly. The reporting frequency may be yearly for a project or activity of a longer duration (say three years or more). In case of a continuous CSR activity, the frequency of reporting shall be half yearly.

- In case of contribution to certain funds, it may not be possible to insist on segregated reporting. In such a case, the reason shall be recorded by the CSR Committee.
- The implementing agency shall report the progress in the format annexed to CSR Policy.
- Wherever feasible, the CSR Committee shall depute one of the senior employees of the Company to make site visits, check the records of the Implementing agency or undertake any other due diligence activity to ensure the veracity of the information reported by the Implementing agency and/ or generally to verify the progress of the CSR activities.

## **12. Amendments**

The Board of Directors of the Company shall have the power to amend or substitute any of the provisions of this Policy or replace this Policy in its entirety with a new Policy.

In case of any amendment to the Companies Act, 2013 or Rules made there under, Listing Agreement, Accounting Standards or any other relevant legislation/ law applicable in this regard, this policy shall automatically stand amended accordingly with immediate effect.

In case of such changes/ amendments, the Secretarial Department will carry out the changes and inform all concerned including the Directors of the Company. Such changes shall also be informed to the CSR Committee and the Board of Directors of the Company in the next meeting.

## **13. Interpretation**

- Any word used in this policy but not defined herein shall have the same meaning ascribed to it in the Companies Act, 2013 or Rules made there under, SEBI Act or Rules and Regulations made there under, Listing Agreement, Accounting Standards or any other relevant legislation/ law applicable to the Company.
- In case of any dispute or difference upon the meaning/ interpretation of any word or provision in this Policy, the same shall be referred to the CSR Committee and the decision of the CSR Committee on the same shall be final. In interpreting such term/ provision, the Committee may seek help of any of the officers of the Company or an outside expert as it deems fit.

\*\*\*\*\*

Annexure  
**JYOTHY LABORATORIES LIMITED**  
**REPORTING FORMAT FOR CSR ACTIVITIES**

Name, address and contact details Of the Implementing Agency	:									
Reporting period	:									
Description of the project/ activity	:									
Geographical location of the project/ Activity	:									
Total amount allocated for the Project/ activity	:									
Amount spent as on the last day of the immediately preceding reporting period.	:									
Amount spent/ utilized during the Reporting Period	:									
Heads of expenditure on which the amount is spent during the reporting period	:	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;">Head of Expenditure</th> <th style="width: 30%;">Amount</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td><b>Total</b></td> <td> </td> </tr> </tbody> </table>	Head of Expenditure	Amount					<b>Total</b>	
Head of Expenditure	Amount									
<b>Total</b>										
Balance unutilized amount	:									
Brief comments on the progress in the Implementation of the project/ activity	:									

For  
Sign :

Name:  
Designation:

Name of the Company:

Project Number:

### CSR PROJECT MONITORING REPORT

Date:

#### SECTION A: PROJECT PROFILE

Project Title	:	
Sector in which project is covered	:	
Name of the Organization/ Institution	:	
Address and contact details	:	
Contact person & designation	:	
Structure of organization / Institution	:	
Time period covered in report	:	

#### SECTION B: PROJECT UPDATE

*Briefly answer each of the questions below to a maximum of 2-3 pages. If you have submitted previous Monitoring Reports, focus on progress since your most recent previous report.*

**1. Current status of the project:**

CRITERIA	AGREED	ACTUAL
Expenditure		
Time period		
Target to meet project objectives		

*If the actual figures differ substantially with the agreed terms, provide elaborative details: Reasons for the deviation. What actions are being taken to resolve issues? What support is needed from the CSR Committee?*

-----

-----

-----

-----

Name of the Company:

Project Number:

**2. Bifurcation of expenditure:**

Total Amount allocated for the project	:	
Amount already expended	:	
Amount expended in the current reporting period		
• Direct expenditure on project	:	
• Overheads	:	
Cumulative expenditure up to the reporting period	:	

**3. Challenges**

*If not covered in Question 1, describe any problems which have arisen and how you overcame them / aim to overcome them. How might these change the project schedule or budget? How might the CSR Committee help?*

-----  
-----  
-----  
-----

**4. Unfavourable circumstances / events**

*Unfavourable circumstances / events which occurred during the reporting period and the subsequent impact on or threat to the project.*

-----  
-----  
-----  
-----

**5. Show Cause Notices received:**

*Whether the organization has received show cause or other similar notice(s) from any Government or other agencies during the reporting period for the said project or any other project of the organisation? If yes, a copy of the same to be provided along with the reply submitted.*

-----  
-----  
-----  
-----



Name of the Company:

Project Number:

**SECTION C: CONFORMANCE TO CSR (to be filled in by the CSR Committee)**

*(Tick whichever is applicable)*

<b>CATEGORY</b>	<b>GRADE</b>	<b>Reasons</b>
<b>Very good level of CSR conformance</b>	<b>A+</b>	
<b>Good Level of CSR conformance</b>	<b>A</b>	
<b>Moderate Level of CSR with improvement potential</b>	<b>B+</b>	
<b>Moderate Level of CSR without significant proposals</b>	<b>B</b>	
<b>Low Level of CSR conformance</b>	<b>C</b>	

CHECKLIST FOR SELECTING AN INSTITUTION FOR CSR PROGRAMME				
Class of Institution		Tick whichever is applicable		Remarks, if any
Registered Trust				
Registered Society				
Section 8 Company (Section 25 Company under the previous Companies Act) [ A company with charitable purpose]				
Section 8 / 25 Company established by the company or its holding company or subsidiary or associate company				If Yes then provide details of the holding company or subsidiary or associate company.
<b>Organisational background</b>				
1	Brief profile of the organization:			
2	Awards, Accolades, Recognitions received by the organization from recognised agencies in the past:			
3	Whether the Company has contributed to or has been associated with the organization in the past?	YES	NO	
	If yes, then details and status of the previous engagements alongwith the adverse remarks, if any.			
4	Whether any of the Promoters / Directors / Key Managerial Personnel / officers of the Company is associated with the organization?	YES	NO	
	If yes, then details of such person as well as the nature of association with the organization.			
Sr. No.	Criteria	Whether the Institution fulfils the criteria?*		Remarks, if any
*Tick whichever is applicable		Yes	No	
<b>A</b>	<b>Legal status</b>			
1	Whether a copy of registration certificate issued under the applicable Act to the said organisation has been obtained?			Copy of the same to be provided. In case the organisation is a Trust undertaking its operations in a State where registration of Trust is not mandatory, Registration Certificate under Income Tax Act, 1956 to be obtained.
2	Whether the Institution has an established track record of atleast 3 (three) years in undertaking similar CSR Activities, programs or projects approved by the CSR Committee of the Company?			
<b>B</b>	<b>Whether the following documents are provided, to assess financial track record, stability of the organisation and organisational profile/ capacity.</b>			
1	Attested Copy of Registration			
2	Attested Copy of Annual Audited Financial Statements of last three Financial Years and copies of acknowledgements evidencing there filing with any regulatory Authority			
3	Experience certificates and / or other relevant documents of past experience			
4	List of Board of Directors/ Trustee / Executive Committee members, their address and contact numbers			
5	Certificate to the effect that the contribution made to NGOs/Organizations, qualify for tax exemption under Income Tax Act 1961 if any i.e. U/s 80G, U/s 35 AC etc. of Income Tax Act or related clauses of existing/ applicable finance bill.			
6	Copy of PAN/TAN, Service Tax registration with RPFC and ESI Authorities			
7	Self declaration in connection with having pending disputes or enquiries in connection with cheating, misappropriation of funds exploitation of beneficiary black listed by Govt. Agency.			

**CHECKLIST FOR ANALYZING AND FINALIZING A CSR PROPOSAL**

Name of organization:				
Project Name:				
Brief description of General Objective of Project:				
Ongoing Project or New Project:				
Project Start and End Dates:				
Proposed Total Budget:				
Proposed overheads on the project, if any (% of total expenditure):				
Proposed total number of beneficiaries:				
Details of Project Manager:				
Contact details:				
Sr. No.	Criteria	Whether the Institution fulfils the criteria?*		Remarks, if any
		Yes	No	
<i>*Tick whichever is applicable</i>				
1	<p><b>Whether the activity proposed to be carried out in the Proposal broadly falls within the ambit of any one or more or a combination of one or more programmes mentioned below:</b></p> <p>1. Eradicating hunger, poverty and malnutrition and promote 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.</p> <p>2. Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.</p> <p>3. 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.</p> <p>4. 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 <u>rejuvenation of river Ganga</u>.</p> <p>5. 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 <u>handicrafts</u>.</p> <p>6. Measures for the benefit of armed forces veterans, war widows and their dependents.</p> <p>7. Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports.</p> <p>8. 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 <u>backward classes, minorities and women</u>.</p> <p>9. Contributions or funds provided to technology incubators located within <u>academic institutions which are approved by the Central Government</u>.</p> <p>10. Rural Development projects.</p> <p>11. Slum area development.</p>			
2	Whether the activity proposed to be carried out in the Proposal will be undertaken in India only?			

3	Whether the activity proposed to be carried out in the Proposal benefits only the employees of the Company and their families?			
4	Whether the proposed project is an ongoing project or a new project designed specifically for the Company?			If the proposal is an ongoing project, then provide the details of the same in the Table appended below.
5	Whether the activity proposed to be carried out in the Proposal includes activities undertaken in the normal course of business?			
6	Whether the proposal received, gives preference to the local area and areas around the Company where it operates, for spending the amount earmarked for CSR activities?			
7	Whether the proposed CSR activity is in the nature of a One-off event such as marathons / awards / charitable contribution / advertisement / sponsorships of TV programmes etc.?			
8	Whether the expected expenditure on the proposed CSR activity is feasible and within the limit of expenditure approved by the CSR Committee of the Company?			
9	Whether the proposal is based on a survey/ analysis of relevant secondary data related to the project and this data is appropriately used in the proposal?			
10	Whether the Implementation Schedule for the proposal has been obtained			Copy of the implementation schedule to be provided
11	Whether the sequence of activities and the planning (including proposed timeline) is logical, realistic and promise efficient implementation to the project.			
12	Whether the proposal has been referred to by any person associated with the Company?			If yes, the provide details of the said person
13	Whether the proposal is restricted to the Company or other Group companies, if any are also involved?			If yes, then details of overall group exposure as well as adverse remarks, if any, of the group companies.
14	What of these following guiding principles are sought to be achieved by the subject CSR Activity: 1. Adopt an approach that aims at achieving a greater balance between social development and economic development; 2. Adopt new measures to accelerate and ensure the basic needs of all people including working towards elimination of barriers for the social inclusion of disadvantaged groups; 3. Focus on educating the girl child and the underprivileged by providing appropriate infrastructure, and groom them as future value creators; 4. Assist in skill development by providing direction and technical expertise to the vulnerable thereby empowering them towards a dignified life; 5. Promote an inclusive work culture; 6. Work towards generating awareness for creating public infrastructure that is barrier free, inclusive and enabling for all including the elderly and the disabled; 7. Promoting the well being and development of employees and their families through an inspiring corporate culture that encourages good values; 8. Employee participation is an important part of developing responsible citizenship. The Company encourages and motivates employees to spend time volunteering on issues pertaining to CSR; 9. At the time of local or national crisis, to respond to emergency situations & disasters by providing timely help to affected victims and their families.			