

# **JYOTHY LABS LIMITED (FORMERLY KNOWN AS JYOTHY LABORATORIES LIMITED)**

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## **Corporate Social Responsibility Policy**

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### **1. Introduction**

The Board of Directors (the “Board”) of Jyothy Labs Limited (Formerly known as 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 Labs Limited (Formerly known as 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 Labs 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 or the person so authorized by the CSR Committee / Board shall monitor the project expenditure.

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.

Any surplus arising out of the CSR activities will not form part of the business profit of a Company and will be ploughed back into the same project or will be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the Company or transfer such surplus amount to a Fund specified in Schedule VII of the Companies Act, 2013, within a period of six months of the expiry of the financial year.

Any amount spent in excess of the mandatory requirement in any financial year, will be adjusted within immediate succeeding three financial years with the approval of the CSR Committee, Board and subject to such condition as specified under the Companies Act, 2013 read with the Rules framed thereunder.

### **7. Annual Action Plan**

The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following:

- (a) the list of CSR projects or programmes that are approved to be undertaken in areas:
- (b) the manner of execution of such projects or programmes
- (c) the modalities of utilization of funds and implementation schedules for the projects or programmes;
- (d) monitoring and reporting mechanism for the projects or programmes; (e) details of need and impact assessment, if required, for the projects undertaken by the Company:

### **8. 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.

## **9. 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 including sanitation and more particularly contribution to the Swachh 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 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, 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, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- 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 Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES 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) (a) 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

(b) Contributions 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).;

- x) rural development projects;
- xi) slum area development;
- xii) disaster management, including relief, rehabilitation and reconstruction activities;
- xiii) 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.

#### **10. 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.

#### **11. Implementation of CSR Activities**

- The Board of Directors based on the recommendation of the CSR Committee shall allocate amount for the CSR activities arrived at in accordance with the provisions of the Companies Act, 2013.
- The CSR Committee, based on the outlay, will prepare and recommend to the Board an annual action plan for each financial year pertaining to the CSR activities/projects that can be undertaken during the relevant financial year and allocation of funds for each such activity/ project. The Board may then based on the recommendation of the CSR Committee approve the annual action plan.

- The CSR Committee and the Board may also approve any alterations to the annual action plan during any financial year.
- The CSR Committee and the Board of Directors will decide the mode of execution of such activities/ projects i.e. whether such activities will be carried out by a Company itself or through registered and approved trust or society registered under section 12A and 80G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company or ) 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 any entity established under an Act of Parliament or a State legislature; or a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities and having valid CSR Registration Number. 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.

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

- The Company shall ensure that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management will certify to the effect annually.
- 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.
- In case of contribution to certain funds, it may not be possible to insist on segregated reporting..
- The implementing agency shall report the progress to the Chief Financial Officer or the person responsible for financial management.
- Wherever feasible, the Company shall depute one of its senior employees 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.

## **13. Dissemination of Information**

The Composition of the CSR Committee, the CSR Policy and Projects, if any, approved by the Board of the Company shall be placed on the Company's website.

A detailed status report on the CSR activities carried out by the Company shall be disclosed every year as a part of the Boards' Report in the Annual Report in the prescribed format.

## **14. 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, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), 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 approved by the CSR Committee and the Board of Directors of the Company in their respective meetings.

## **15. 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 Regulations, 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.

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