

JESONS INDUSTRIES LIMITED
CORPORATE SOCIAL RESPONSIBILITY

PREAMBLE

Acceptance of the communities and societies in areas where companies operate is the key to sustain in the long-term and create shareholder value. Society in retrospect depends on businesses to provide critical economic and community benefits. Jesons Industries Limited ('the Company') believes in aligning its values with social goals. We believe CSR is a prerequisite for sustainability and a core part of our main-stream business. Creating social change embodies our values and we continue our actions for social change through replicable and sustainable solutions.

CSR VISION

To actively contribute to the community and environment in which we operate through our initiatives, services and conduct so as to enable sustained growth for the society and communities in our role of being a socially responsible organisation.

CSR MISSION

- To lay down guidelines to make CSR a key business process for sustainable development
- To promote sustainable development through water stewardship
- To empower and support the needs of communities near our operating locations
- To promote access to healthcare to enhance quality of life and wellbeing
- To undertake direct and indirect projects which will enhance quality education and sustainable livelihood opportunities
- To encourage and leverage employee volunteering, expertise and networks to address the community needs
- To promote rural sports, nationally recognized sports, Paralympic sports and Olympics sports and place India on the global map.

1. OBJECTIVE

The objective of this Policy document is to articulate Company's philosophy of social responsibility, to define the area chosen by the Company to impact the Society with its efforts towards corporate social responsibility and to define the governance & monitoring framework for ensuring effectiveness of the Policy.

This Policy has been prepared in consonance with Section 135 of the Companies Act, 2013, ("Act") Companies (Corporate Social Responsibility Policy) Rules, 2014 ("Rules") as amended. For the purpose of this Policy, the Act, the Rules and Schedule VII as amended from time to time, are hereinafter referred to as the ("**CSR Legal Framework**"). The CSR Policy shall apply to all corporate social responsibility ("**CSR**") activities undertaken by the Company as per the CSR Legal Framework.

2. DEFINITION

Words and expressions used in this Policy and not defined specifically in this document shall have the meanings respectively assigned to them under the CSR Legal Framework.

3. PHILOSOPHY

CSR is the Company's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical. The Company believes that corporate development has to be inclusive and every corporate has to be responsible for the development of a just and humane society that can build a national enterprise. The Company commits itself to contribute to the society in ways possible for the organization.

4. KEY THRUST AREAS AND APPROACH TO CSR ACTIVITIES

While the Central Government of India has spelt out the CSR activities under Schedule VII to the Act, in order to build focus and have more impactful execution, the Company's CSR efforts will be primarily dedicated in following 5 areas:

Education	Access to quality education and skill enhancement
Health	Affordable solution for healthcare
Environment	Environment sustainability, ecological balance, conservation of natural resources
Disaster Response	Managing and responding to disaster
Empowering Women	Promoting Gender Equality and setting up homes & hostels, day care centres & such other facilities for women.

However, in addition to aforesaid key thrust area, the Company is committed to attend to any of activities outlined in Schedule VII as amended from time to time which the CSR Committee and Board of Directors may consider and approve as a part of CSR Activities.

5. COVERAGE AND SELECTION OF CSR ACTIVITIES

The CSR Activities shall be undertaken in locations within India and preferably within (but not limited to) the local areas around which it operates.

The CSR activities ("CSR Activities") shall mean the activities undertaken by a Company in pursuance of its statutory obligation laid down under the CSR Legal Framework and shall not include activities specifically excluded under the CSR Legal Framework, presently being:

- Projects or activities not falling within purview of Schedule VII to the Act as amendment from time to time read with circulars & clarifications issued by Ministry of Corporate Affairs (MCA) in this regard,
- Activities undertaken in pursuance of normal course of business of the Company,

- 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,
- Direct or indirect contribution to any political party under Section 182 of the Act,
- Activities benefitting employees of the Company as defined in clause (k) of section 2 of the Code on Wages, 2019,
- Activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services.
- Activities carried out for fulfillment of any other statutory obligations under any law in force in India.

6. CSR COMMITTEE

The CSR Committee shall be constituted in accordance with the CSR Legal Framework and shall meet as often as its members may deem necessary to perform inter-alia the following duties and responsibilities:

- i. Formulate and recommend to the Board, the CSR Policy; identify specific CSR programmes / projects areas to be undertaken by the Company
- ii. Recommend to the Board for its consideration and approval CSR Activity and the projects to be undertaken and amount of expenditure to be incurred thereunder,
- iii. Formulate and recommend to the Board, an annual action plan pursuant to this Policy, which shall include such details as may be prescribed under the CSR Legal Framework from time to time.
- iv. Monitor the CSR Policy and execution of CSR Activities from time to time and recommend changes to the Board if necessary,
- v. Prepare an annual report of the CSR Activities undertaken for each financial year and submit such report to the Board,
- vi. Undertake impact assessment through an independent agency, of CSR projects having outlay of Rs. 1 Crore or more, if any, and which have been completed not less than one year before undertaking the impact study, in the event Company's average CSR obligation is of Rs. 10 crore or more in immediately 3 preceding financial years or as may be prescribed under the CSR Legal Framework and place such Report before the Board,
- vii. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors, or as may be specified under CSR Legal Framework, from time to time.

7. RESPONSIBILITIES OF THE BOARD

- i. Approving the CSR Policy, annual action plan, CSR Activities and projects and the CSR expenditure after taking into consideration, the recommendations made by the CSR Committee or any modification there under,
- ii. The Board may alter annual action plan at any time during the financial year, as per the recommendation of CSR Committee, based on reasonable justification to that effect.
- iii. Ensure the CSR spending for every financial year of at least 2% of average net profits made during immediately preceding 3 financial years, in pursuance with

this CSR Policy. If the Company fails to spend the aforesaid amount then the Board's Report prepared under section 134 of the Act, shall specify the reasons for not spending the amount and transfer the same as specified under this Policy and CSR Legal Framework.

- iv. Ensure that CSR Activities included in the CSR Policy are undertaken by the Company and such activities are related to the activities specified in CSR Legal Framework.
- v. Ensure that the CSR Activities are undertaken either by the Company itself or through Implementing Agency, as permitted under the CSR Legal Framework.
- vi. In case of ongoing projects, monitoring the implementation of the project in line with the approved timelines and year – wise allocations and shall be further authorized to make modifications thereto if required subject to the same being within the overall permissible time period.
- vii. Satisfy itself that the funds have been utilized for the purpose and in the manner, as approved by them and the Chief Financial Officer / person responsible for the financial management of the Company, to certify to the effect.
- viii. Ensure the administrative overheads shall not exceed the limits specified under the CSR Legal Framework, presently being 5% of total CSR Expenditure of the Company for each Financial Year.
- ix. Ensure any surplus arising out of the CSR Activities shall not form part of the business profit of the Company and shall be ploughed back into the same project or 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 the Fund specified in Schedule VII within the stipulated period of time.
- x. Ensure that surplus or unspent amount earmarked for CSR in any financial year is given effect as required under the CSR Legal Framework.
- xi. Approve the set off of the excess amount of CSR spent in a financial year, against CSR spent of upto immediate next three financial years;
- xii. Ensure that Directors' Report includes:
 - Contents of the CSR Policy and Composition of the CSR committee;
 - An annual report on the CSR in the prescribed format;
 - Reasons for failure (if any) to spend required amount on CSR Activities.

8. FORMULATION OF ANNUAL ACTION PLAN

The CSR Committee shall formulate the annual action plan, in each financial year and recommend the same to the Board. The CSR Committee and the Board shall adhere to the following guidelines while formulating/ approving the annual action plan for each financial year:

- i. Evaluation of CSR activities of the preceding financial year: The achievements and drawbacks of the CSR projects/ activities undertaken in the previous financial year shall be considered and the annual action plan shall be prepared accordingly.
- ii. Identifying projects/activities for the current financial year: The CSR Committee will be responsible for identifying suitable CSR initiatives which are in line with the overall objectives of the organisation.

- iii. The CSR Committee shall endeavour to formulate and approve the annual action plan before the commencement of the financial year based on projected financials and finalise the same and recommend it for the Board's approval before the end of the first quarter in every financial year. Any delay in preparation and approval of the action plan can be ratified by the Board.
- iv. The CSR Committee shall include a description of the identified activities and the sequence in which they will be undertaken by taking into consideration organizational readiness, strategies, financial and procurement management, etc., disbursement and utilization plans for the unspent amounts from previous years during the current financial year and disbursement and utilization plan for funds for the relevant (concerned) financial year,
- v. Any amendment to the annual action plan shall be recommended by the CSR Committee and approved by the Board.

9. CSR EXPENDITURE

- i. In every financial year, the Company shall spend a minimum of 2% of its average Net Profits of the immediately preceding three (3) financial years, as computed in accordance with the provisions of the CSR Legal Framework or such sums as specified under the CSR Legal Framework, towards CSR Expenditure. The administrative overheads shall not exceed the limits specified under the CSR Legal Framework, presently being 5% of total CSR Expenditure of the Company for each Financial Year.
- ii. If the Company is required to undertake impact assessment pursuant to CSR Legal framework then such expenditure can be booked towards Corporate Social Responsibility for a given financial year, which shall not exceed five percent of the total CSR expenditure for a given financial year or fifty lakh rupees, whichever is less.

10. TREATMENT OF UNSPENT / EXCESS AMOUNTS IN RESPECT OF CSR ACTIVITIES AND SURPLUS ARISING OUT OF CSR ACTIVITIES

The Company shall ensure that any unspent amount under its CSR obligation, excess spent amount toward CSR expenditure and/or surplus arising out of the CSR Activities shall be treated in accordance with the CSR Legal Framework and as may be approved by the Board, from time to time.

11. IMPLEMENTATION

- i. The Company shall undertake its CSR Activities directly itself or through Implementing Agencies and/in in such manner as may be prescribed under the CSR Legal Framework. Such Implementing Agency shall be either:
 - A company under Section 8 of the Act, registered public trust or registered

society established by the Company either singly or along with other Company and has valid registration *under section 12A and 80G of the Income Tax Act, 1961.*

- A Company established under Section 8 of the Act, registered trust or registered society, established by the Central or State Government.
- Any entity established under an Act of Parliament or State Legislature.
- A Company under Section 8 of the Act registered public trust or registered society with a valid registration under section 12A and 80G of the Income Tax Act, 1961 with a track record of at least 3 years in undertaking similar activities.

Provided that the aforesaid implementing agencies shall be considered eligible if it is in compliance with the provisions of the CSR Legal Framework.

- ii. The Company may also collaborate with other companies to undertake CSR Activities in such a manner that each company is in a position to report separately on such CSR projects.
- iii. While partnering with Implementing Agency, the credentials of such entities will be verified, and all requisite information and documentation as listed in Annexure 1 would be obtained and necessary documentation would be completed.
- iv. CSR programmes / projects to be undertaken by the Company will be identified by the CSR Committee.
- v. The CSR Committee shall recommend the CSR programmes/ projects, specifying modalities of its execution and the amount of expenditure to be incurred on the programmes/ projects.
- vi. Upon recommendations of the CSR Committee, the Board shall specifically approve such CSR projects/programs and the amount of expenditure.
- vii. The Company may engage international organizations for designing, monitoring and evaluation of the CSR projects or programmes as the CSR Committee and/or the Board may deem fit as well as for capacity building of the own personnel for CSR.

12. MONITORING

- i. The Company shall regularly monitor the annual action plan, CSR Activities and the CSR projects.
- ii. The CSR Projects taken up through Implementing Agency shall be monitored & evaluated at regular intervals.

13. GENERAL

Any or all provisions of the CSR Policy would be subject to revision / amendment by the CSR Committee in accordance with the CSR Legal Framework and any other guidelines on the subject as may be issued by the Central Government from time to time.

In case of any conflict between provisions of this Policy and the CSR Legal Framework, the provisions of CSR Legal Framework shall supersede. Notwithstanding the absence of any provisions of the CSR Legal Framework in this Policy, the Company shall comply with such provisions as if they are part of the CSR Policy.

The CSR Committee or any person so authorised by the Board shall settle all queries, differences or doubts that may arise in relation to the implementation of the CSR Policy and CSR programmes/ projects as may be approved by the Board.

ANNEXURE 1

Indicative list of aspects to be considered while engaging with other entities

Due diligence of the implementing agency should be conducted to check the credentials of the organization and to ensure that its projects / programmes / activities are consistent with the CSR Legal Framework and CSR Policy. The following documents / information from the interested Implementing Agencies would be sought, as applicable:

- Memorandum of Association and Articles of Association/ Constitutional Document
- Registration certificate under application law;
- Audited financial statements/ Accounts for the last three years
- Registration Certificate under Section 80G and 12A of the Income Tax Act, 1961
- Permanent Account Number (PAN) card issued under the Income Tax Act, 1961
- Details of Projects attended in last 3 Years.
- Details of the entity's organizational structure, capability, technical skills and manpower resource.
- Such other documents / certificates / details as may be required to assess the eligibility of the Implementation Agency under the CSR Legal Framework or any other applicable law for the time being in force.
