

CORPORATE SOCIAL RESPONSIBILITY POLICY
OF
J.B. CHEMICALS & PHARMACEUTICALS LIMITED

**Registered Office : Neelam Centre, B Wing, 4th Floor,
Hind Cycle Road, Worli,
Mumbai - 400 030**

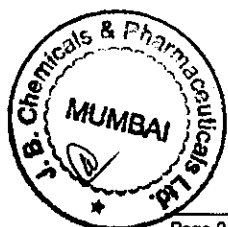


1. PREAMBLE AND PHILOSOPHY

- a. J. B. Chemicals & Pharmaceuticals Limited (the "Company") is committed to conducting its business in socially, environmentally and ethically responsible manner and contribute to the society and environment in which it operates; to be able to contribute to social welfare and, directly or indirectly, financially assist people at large to improve their life or condition.
- b. The promoters of the Company has long been involved in 'giving back to society' and have regularly supported and contributed to a variety of projects including relief and rehabilitation, promotion of education, making available free or affordable medical facilities, child and women development schemes, etc. The operating philosophy of the Company has been guided by this approach and the Company too has been regularly but selectively contributing to socially responsible activities as an integral part of its business governance.
- c. Section 135 of the Companies Act, 2013 ("Act") read with the rules made there under, *inter alia*, requires (a) the Board of Directors of the company to constitute Corporate Social Responsibility Committee ("CSR Committee ") to formulate Corporate Social Responsibility Policy of the Company, (b) the board of directors to adopt this policy and ensure that the Company spends in every financial year at least 2% of the average net profit [as calculated in the manner described in the said Section 135 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("Rules")] in pursuance of the Corporate Social Responsibility Policy of the company, and (c) the board of directors to include in the Board's report an annual report on CSR containing prescribed particulars.
- d. This Corporate Social Responsibility Policy ("CSR Policy") has been approved by the Board of directors of the Company based on recommendation of the CSR Committee constituted by the board of the Company in compliance with Section 135 of the Act.

2. OBJECTIVE

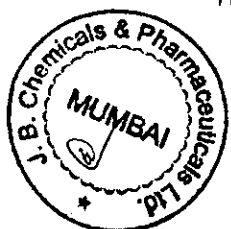
- a. Corporate Social Responsibility is basically a company's sense of responsibility towards the society and the environment in which it operates. It is commitment of a business entity to strengthen the society and contribute towards its development, improvement and upliftment. The Company has imbibed this philosophy in its governance and has been pursuing CSR activities on regular basis as stated above. The Company now has documented this into this CSR Policy to comply with stated requirement of the Act and the Rules.



- b. The objective of the policy is to strive to create and/or encourage, directly or indirectly, positive impact on the society at large through the CSR activities or projects undertaken by the Company.
- c. This CSR Policy specifies activities to be undertaken by the Company from time to time in terms of Schedule VII to the Act, criteria for partnering with NGOs and other not-for profit organizations, modalities for execution of the projects/activities and implementation schedule.
- d. The scope of this CSR Policy has been kept as wide as possible to enable the Company to choose the activity as it deems fit and also allow the Company to respond to different situations and challenges appropriately. However, no contribution shall be made for any activity undertaken outside India.

3. CSR ACTIVITIES

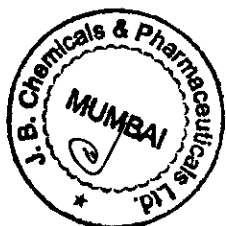
- a. Schedule VII to the Act specifies the following activities which may be undertaken by companies as a part of its corporate social responsibility policy.
 - i) eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution 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 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 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) Slum area development.
- b. However, currently the Company plans to focus on the following activities/projects:
- (i) Promotion of Education;
 - (ii) Promoting health care including preventive health care;
 - (iii) Eradication of hunger, poverty and malnutrition; and
 - (iv) Empowering women and children.
- c. The activities/projects set out above in (b) are only an indicative list. However, the Company shall be free to undertake any activity covered under Schedule VII to the Act from time to time.

4. CSR AMOUNT AND EXPENDITURE

- a. The Company shall ensure that it spends, in every financial year, 2% of its average net profits of preceding three financial years computed in accordance with provisions of Section 135 of the Act and the Rules, in pursuance of this CSR Policy. In the event, the Company is unable to spend this amount in any financial year commencing from 2014-15, the Board shall in its report specify the reasons thereof.
- b. CSR Committee will recommend the amount of expenditure to be incurred on the activities specified in Schedule VII to the Act. Any



project/programme/activity approved by the CSR Committee from time to time may be placed on the website of the company, if so required by the Act or the Rules.

- c. The surplus arising out of the CSR projects or programmes or activities shall not form part of the business profit of the Company.
- d. When the Company contributes its own medicinal products as part of CSR activity, then the cost of such products shall be factored into its CSR spend for that financial year.
- e. The Company may build CSR capacity of its own personnel as well as those of its implementing agencies through institutions with established track record of at least three financial years but such expenditure including expenditure on administrative overheads shall not exceed 5% of total CSR expenditure of the Company in one financial year

5. UNDERTAKING CSR ACTIVITIES

- a. The Company may undertake the CSR activities pursuant to this Policy directly through its own personnel at various locations or, if the Board so decides, through any registered trust or registered society or a company established by the Company under Section 8 of the Act or by making contribution to specific funds maintained by the Central/State Government like Prime Minister's National Relief Fund. This provision is not intended to exclude any other mode of undertaking CSR activity available under the Act or the Rules.
- b. When the Company decides to implement CSR project or programme through a partnering organization, the Board shall ensure that the Company enters into a Memorandum of Understanding with such partnering organization, which would detail key roles and responsibilities of each of the parties.
- c. When the trust, society or company as referred above is not established by the Company, then (a) it shall have an established track record of three years in undertaking similar programmes or projects, and (b) the Company has specified the projects or programmes to be undertaken through such entity, the modalities of utilization of funds on such projects or programmes and the monitoring and reporting mechanism.

6. EXECUTION MODALITIES AND TIME SCHEDULES

- a. The Company Management will identify the CSR project or programme which may either be time bound or ongoing. Any time bound project shall be placed before the CSR Committee, which shall fix the implementation schedule for such project. When a request is



received from an external partnering organization for undertaking such project or programme, such request shall be in writing and shall set out the nature of activity, funds required for such activity and statement of its past activities. Such requests shall be reviewed by the CSR Committee and approved by the Board.

7. MONITORING

The Company shall be entitled to receive the following from the partnering organization:

- a. Audited financial statements, including cash flow statements and management accounts within 60 days from the end of a financial year;
- b. Quarterly operational/progress report from time to time within 45 days from the end of the quarter along with a consolidated statement of expenses;
- c. Copies of any other reports or communications received from the auditors relating to its financial position or affairs which is of a material nature;
- d. Any information or circumstance which may affect or jeopardize the implementation of activities of the partnering organization or the Company's CSR project.

To ensure steady progress and proper utilization of the CSR amount, the following monitoring mechanism shall be adopted:

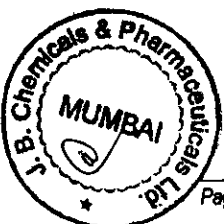
- (i) Periodic field visit by the persons deputed by the Company;
- (ii) Undertaking sample internal audit of the project/ activities;
- (iii) Review of reports submitted by partnering organization; and
- (iv) Impact of the project

The CSR Committee may engage external agencies to evaluate the CSR projects and monitor its progress. The Committee would constantly monitor the implementation of the CSR projects and utilization of the CSR amount.

8. ROLE OF CSR COMMITTEE

The CSR Committee shall play the following role in fulfilling the CSR objective of the Company:

- a. To review this CSR Policy;
- b. Recommendation of the amount of expenditure to be incurred on the CSR activities;



- c. Formulation of transparent monitoring mechanism to ensure effective implementation of the project/programme/activity to be undertaken by the Company; and
- d. Monitor and implement this CSR Policy from time to time;
- e. To report to the Board on half yearly basis the amount spent on CSR and status of CSR activities; and
- f. To carry out such requirement as mandated under the Act and the Rules from time to time.

The Executive Directors on quarterly basis shall submit a report containing CSR activities undertaken, status of such activities and amount spent and committed on such activities to the CSR Committee.

9. DISSEMINATION OF INFORMATION

The Company shall post this Policy on the Company's website. The Board of directors shall include in their report an annual report on CSR activities in a format specified in the Rules and such annual report shall also be posted on the Company's website after approval of the report by the board of directors.

10. POLICY VALIDATION

This CSR Policy has been approved by the Board of directors of the Company based on recommendation of the CSR Committee and shall be deemed to have come into force w.e.f. April 1, 2014. All the CSR activities already undertaken by the Company on and after April 1, 2014 that fall under Schedule VII to the Act shall be deemed to be activity undertaken pursuant to this Policy. This Policy will be reviewed as and when so recommended by the CSR Committee. This Policy is subject to provisions of the Act and the Rules and may be suitably amended in case of amendment in the Act and the Rules or otherwise.

Date of Approval: November 19, 2014



