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## **Preamble**

Corporate Social Responsibility (CSR) is the continuing commitment by business to contribute to economic development for improving the quality of life of local community and society at large. CSR is clearly focussed on capacity building, empowerment of communities, promotion of technologies, and development of backward regions and upliftment of under-privileged sections of the society.

CSR covers the entire process by which an organization approaches, defines and develops its relationships with stakeholders for the common good, and demonstrates its commitment in this regard by adoption of appropriate strategies and projects. The Company's focus has always been to contribute to the sustainable development of the society and environment, and to make our planet a better place for future generations.

## **Vision and Scope:**

JAYNIX ENGINEERING PRIVATE LIMITED hereinafter referred to as "Company" will integrate the CSR and Sustainability plans and strategies with the business plans and strategies. The Projects / Activities as deemed fit under Schedule VII of the Companies Act, 2013 will be taken up by the Company and any changes/ amendments made in the Companies Act, 2013 thereto will be adopted accordingly. Any other Project / activity not falling within the ambit Companies Act, 2013 under Schedule VII, will not be considered as a CSR Project /activity and the amount spent therein will not be accounted for CSR Expenditure of the Company.

This policy will apply to all projects/programs undertaken as part of the Company's Corporate Social Responsibility activities and will be developed, reviewed and up dated by Committee from time to time.

This policy is in line with the requirement of the Section 135 of the Companies Act, 2013, read with Schedule VII (hereinafter referred to as "the Act") and the Companies (Corporate Social Responsibility) Rules, 2014 (hereinafter referred as "the Rules") as amended from time to time.

**Policy Statement:**

We at JAYNIX ENGINEERING PRIVATE LIMITED strive to accomplish our vision of becoming a significant global player in manufacturing of Electrical Equipment and to address the concerns of economic status, environment and well being of the society through CSR initiatives. JAYNIX ENGINEERING PRIVATE LIMITED will:

1. Operate its CSR Projects in a socially responsible & sustainable manner, while recognizing the interests of all its stakeholders by adopting a shared value approach.
2. Ingrain the thrust of CSR and Sustainability concept across various levels in the organization by means of capacity building, awareness and training programs.
3. We are committed to allocate adequate resources and set up a suitable organization structure for steering the CSR and Sustainability in our organization and report our performance on an annual basis.

**Governance:**

Over all governance of CSR and approving of the CSR Policy will be the responsibility of the CSR Committee of the Board. The CSR Committee of company will be responsible for administering and executing the policy. As the Company's CSR activities evolve further, the policy may be revised with the approval of the CSR Committee of the Board.

**Objectives:**

To support the initiatives for the upliftment of living conditions of the underprivileged sections of the society by contributing regularly to social causes. The Policy aims to address social needs and aid in resolution of social problems in consultation with the local community.

The Objectives of the CSR projects will be as follows:

- i) To carry out CSR activities in an economically, socially and environmentally sustainable manner that is transparent and ethical.
- ii) To integrate the core values of the company with the philosophy of corporate social responsibility (CSR) and Sustainability.
- iii) To incorporate the spirit of CSR and Sustainability to the employees at all levels and to infuse into all the activities, processes, operations and transactions of the company.

## **Definitions:**

1. "Corporate Social Responsibility (CSR)" means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely:-
  - (i) Activities undertaken in pursuance of normal course of business of the company
  - (ii) 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;
  - (iii) Contribution of any amount directly or indirectly to any political party under section 182 of the Act;
  - (iv) Activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
  - (v) Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
  - (vi) Activities carried out for fulfilment of any other statutory obligations under any law in force in India.
2. "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred in the Section 135 of the Act.
3. "CSR Policy" means a statement containing the approach and direction given by the board of the company, taking into account the recommendations of the CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.
4. "Ongoing Project" means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.
5. "Administrative Overheads" means the expenses incurred by the company for general management and administration of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.
6. "Implementing Agency" means :-
  - (a) 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, established by the company, either singly or along with any other company, or

- (b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central or State Government; or
- (c) Any entity established under an Act of Parliament or a State legislature; or
- (d) 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.

**CSR Committee Composition:**

The board of directors of the company shall constitute the CSR committee in their meeting.

**Access to Management and Independent Advisors:**

Committee members will have full access to management of the Company to discuss any matter which the member may wish to discuss or obtain additional information on CSR projects and Programs etc.

The Committee has the authority to retain, set the terms of and compensate independent legal advisors, consultants or experts that it determines necessary to assist it in carrying out its duties.

**Responsibilities / Duties of the Committee Members:**

The Committee is responsible for overseeing the establishment and implementation of corporate social responsibility policies and practices and for monitoring the Company's performance against such policies and practices as well as applicable laws and regulations.

The Committee's duties with respect to corporate social responsibility matters shall include:

- 1. Reviewing and making recommendations, as appropriate, in regard to the Company's corporate social responsibility policies;
- 2. Developing a CSR Strategy- Liaising with management on the Company's corporate social responsibility program;
- 3. Scheduling regular reports from management on the Company's corporate social responsibility performance to assess the effectiveness of the corporate social responsibility program;
- 4. Reviewing the annual budget for the Company's corporate social responsibility activities to confirm that sufficient funding is provided for compliance and Monitor the implementation of CSR policy from time to time. It shall institute a transparent

monitoring mechanism for implementation of the CSR projects or programs or activities of the company.

5. Reviewing the Company's corporate social responsibility performance to assess the effectiveness of the Company's corporate social responsibility program and to determine whether the Company is taking all appropriate action in respect of those matters and has been duly diligent in carrying out its responsibilities and to make recommendations for improvement, where appropriate.
6. The Committee will report regularly to the Board following meetings of the Committee with respect to such matters as are relevant to the Committee's discharge of its responsibility.
7. The Committee will review and update, on an annual basis, a work plan for the ensuing year for the Committee to ensure that Committee fulfills its responsibilities on a timely basis.
8. Appoint a CSR operational team to aid and assist in the implementation and monitoring of CSR activities and seek voluntary participation of employees of the Company in furtherance of its CSR policy.
9. To formulate and recommend to the Board, an annual action plan in pursuance of this policy, including:
  - a) List of CSR Projects approved
  - b) Manner of execution
  - c) Modalities of utilization funds and implementation schedule
  - d) Monitoring and reporting mechanism.
10. The Board has developed the following specific expectations of Committee members to promote the discharge by the Committee members of their responsibilities and to promote the proper conduct of the Committee:
  - (a) Prepare for Meetings: Committee members are expected to prepare for each meeting, Committee members are to circulate agenda for meeting at least 7 days in advance prior to meetings except with the consent of Committee members for shorter notice.
  - (b) Attend Meetings: Committee members are expected to maintain a high attendance record at meetings of the Committee. Attendance by audio - visual conference may be used to facilitate a Committee member's attendance.

**Committee Meeting:**

The Committee must meet at least 2 times in a Year at appropriate intervals. Additional meetings may be called upon serving of proper notice at any time to address specific needs

of the Company. A Committee meeting may be called by the Committee Chairman, or any Committee member. The meeting must be held within business hours.

Where any meeting of the Committee adjourns due to any reason, the same shall stand adjourned till the next week at the same time and place on a day which is not a public holiday.

The extracts of the meeting must be recorded in the Minutes and shall be signed and confirmed by next meeting by the Chairman of the meeting or where such chairman ceases to be chairman or committee member then by Chairman of the next meeting.

**Agenda and Notice:**

Notice for the time and place of each meeting of the Committee must be served to each Committee member either by personal delivery, electronic mail, facsimile or other electronic means by not less than 7 clear days before the date of the meeting. However, whenever necessary Committee meetings may be held at any time at a shorter notice if all of the Committee members consent to hold meeting at a shorter notice. The practice of the Committee is to provide notice of meetings to all directors in order that they may attend the meeting.

The Chairman of the Committee shall establish the agenda for each Committee meeting. The agenda of the business to be transacted at meeting shall be distributed to Committee members along with Notice. Each Committee member is free to request the inclusion of other agenda items.

**Quorum and Attendance:**

A quorum for any Committee meeting shall be one-third of its total strength or two members, whichever is higher. A Committee member who is unable to attend a Committee meeting in person may participate by telephone or teleconference or by video Conference but for the purpose of quorum only attendance through video conference will be counted.

**CSR Expenditure:**

1. CSR expenditure shall include all expenditure including contribution to corpus, or on projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act 2013.
2. The Board of the Company shall ensure that the company spends on CSR Activities as specified by Committee, in every financial year, at least 2% of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. Any Surplus arising out of

CSR activities and any income arising there from shall also be used for CSR activity in line with the guidelines laid by the committee.

3. The overall amount to be committed to CSR will be approved by the Board as part of the Company's overall Annual Budget / Plan. Within the budgeted amount, specific CSR initiatives/projects will be approved in line with the process approved by the CSR Committee of the Board. All projects undertaken by the Company will be approved / ratified by the Company's CSR Committee
4. The board shall ensure that the administrative overheads shall not exceed 5% of total CSR expenditure of the company for the financial year.
5. 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 shall 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, within a period of six months of the expiry of the financial year.
6. Excess amount may be set off against the requirement to spend under Section 135(5) up to immediate succeeding three financial years subject to the conditions that the excess amount available for set off shall not include the surplus arising out of the CSR activities and the Board of the Company shall pass a resolution to that effect.
7. The CSR committee shall be responsible for ensuring that the Company spends the requisite amount in furtherance of the CSR Policy.
8. The CSR committee with the assistance of the CSR Operational team shall conduct due diligence of projects selected for pursuing approved CSR activities. For this purpose, the CSR Committee may require the CSR Operational team to make site visits and seek such reports and information as may be necessary.
9. The CSR Committee shall seek periodical reports (not exceeding six months) from the CSR Operational team on the progress of the CSR programmes/projects undertaken and sponsored by the Company and shall ask the CSR Operational team to conduct site visits periodically (at least twice a year).
10. CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR Programmes undertaken in accordance with the approved CSR Plan. Any surplus arising from any CSR Programmes shall be used only for CSR purposes. Accordingly, any income arising from CSR Programmes will be netted off from the CSR expenditure and such net amount will be reported as CSR expenditure.
11. The CSR Committee shall submit half yearly reports to the Board on the progress of implementation of CSR projects, amount of CSR expenditure required and incurred in the reporting period. It shall cause adequate publicity to be made for CSR activities of the Company wherever feasible like on its web site and intranet etc.



**Budget & Approval:**

1. The budgetary allocation for CSR Projects/activities for the year will be based on the profitability of the company. The budget allocation for the CSR Projects will be 2% of the Average Net Profits of the Company made during the three immediately preceding financial years.
2. The budget allocated for CSR Projects/activities planned for each financial year is expected to be spent within that year only.
3. The Company will give preference to the local area and areas around Complexes/Office where it operates, for spending the amount earmarked for Corporate Social Responsibility Projects / activities.
4. The Board is the Competent Authority for approving the policy on Corporate Social Responsibility of the Company based on the recommendation of the CSR Committee of the Board.
5. The CSR Committee shall for each financial year of the Company approve the total budget for CSR activities, amount to be spent for each of the activities specified in this CSR Policy. CSR Committee shall also to formulate and recommend an annual action plan to the Board in pursuance of this Policy.
6. The CSR Committee shall approve the projects which are to be pursued as part of the CSR commitments of the Company. The CSR Committee shall be empowered to take appropriate decisions in this regard. The CSR Committee shall take assistance from CSR Operational team, for carrying out due diligence of the projects being considered for CSR activities and monitor the implementation of the projects.

**Implementation & Review process:**

1. The CSR Projects / Programs approved by the CSR Committee may be taken up directly or through any Implementing Agency as prescribed under the Act.
2. The Company may conduct a baseline survey to assess the inputs required for identification & implementation of Projects/activities under CSR to achieve the expected level of social/economic/environmental development. In this regard, it is to state that Gram Sabhas and Panchayati Raj institutions at the village level are important and reliable sources for assessing the social, economic and environmental needs in rural areas. Therefore, as far as possible they should be consulted in planning for CSR Projects/activities.
3. Conducting a baseline survey is not a mandatory provision; accordingly the Company may opt for other methods, including use of its own in house expertise and resources for need based assessment studies. However, the Company has to essentially submit credible evidence of having made a fairly accurate assessment of

the needs of the stakeholders or having accessed reliable data in this regard from recognized authoritative secondary sources, the same would also help in making a fair estimation of the social /economic/environmental impact after the conclusion of the activity.

4. The Company will choose Projects/activities falling within the ambit of Schedule VII of Companies Act, 2013. CSR expenditure shall include all expenditure including contribution to corpus for projects or programs relating to CSR Committee activities approved by the Board on the recommendation of its CSR Committee, but do not include any expenditure on an item not in conformity or not in line with activities mentioned in the Schedule VII of the Companies Act, 2013.
5. The Company may take up long gestation Projects for reaping the maximum benefits and impact towards the social, economic and environment status in the locations identified under CSR projects. For easy implementation, long-term CSR plans should be broken down into medium-term and short-term plans.
6. All the CSR Projects / activities proposed by the company will be put up to the CSR Committee of the Board for approval. Based on the recommendation of the CSR Committee, the CSR Projects / activities along with CSR Policy would be put up to the Board for approval. The Board approved CSR Projects / activities will be taken up by the Company and the expenditure therein will be considered under CSR budget of the Company for that Financial Year.
7. While implementing CSR Projects, it is mandatory to comply with the rules / regulations / laws of the State. However, expenditure on such compliance / statutory measures will not be covered under CSR's financial component and would be considered as mainstream business spend / expenditure.
8. The Company will not take up Projects/activities required to be implemented by the Government and / or for which Central / State Government's schemes have been sanctioned, as it could result in unnecessary duplication.
9. The Company may collaborate with other Companies for undertaking Projects / Programs / activities in such a manner that the CSR Committees of respective Companies are in a position to report separately on such Projects / Programmes in accordance with the CSR Rules notified under Companies Act, 2013.
10. A 'CSR Implementation Committee' is to be created in the company. A senior manager of the Company will be nominated as the Head of the 'CSR Implementation Committee' who will be responsible for Planning, Implementation and Monitoring of CSR Projects / activities of the company who will be supported by Officials from Marketing and Finance. The committee will meet on monthly basis. Presence of all the committee members is mandatory and no sub-delegation is permitted.

11. Keeping in view of the importance of CSR Projects/activities, the CSR Committee would conduct due diligence and also discuss the modalities and progress of CSR Projects/activities during the CSR Committee Meetings.
12. Excluding the Board level Committee, the performance of every employee involved in planning, implementing and monitoring of the CSR Projects / programs will be linked to the annual performance, to bring more work clarity and accountability.
13. The CSR Committee of the Board will in turn, periodically submit the reports to the Board of Directors for their information, consideration and necessary directions.
14. The Board of Directors of the company, after taking into account the recommendations of CSR Committee of the Board, approves the CSR Policy for the company and discloses contents of such policy in its Board report and the same will be displayed on the company's website.
15. Regular/constant feedback from the beneficiaries is very vital for any project/activity to be successful and sustainable. In this regard, the internal committee of company are required to obtain regular feedback in writing/ documentary evidences/ photos/ videos, before and after implementation of Projects/activities under CSR. The information will help/support during the impact assessment process at the end of the Project.

**Responsibilities of the Board:**

The Board of Directors of the Company shall be responsible for:

- a) To approve CSR Policy as formulated and recommended by the CSR Committee.
- b) To ensure company spends CSR funds as per Act and this policy in each financial year.
- c) To ensure annual reporting on CSR activities in the Annual Report of the Company.
- d) To publish the CSR Policy on the website of the Company.

The Board shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by us and the CFO or the person responsible for financial management shall certify to that effect.

**Unspent Amount:**

1. Ongoing Project: unspent amount to be transferred within a period of 30 days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account (UCSRA).
2. Time for spending unspent amount to Ongoing Project: The amount shall be spent within a period of 3 financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of 30 days from the date of completion of the third financial year.

**Monitoring, Assessment and Evaluation:**

The CSR Committee will ensure a transparent monitoring mechanism for ensuring effective implementation of the projects/ programs/activities proposed to be undertaken.

The Company's CSR activities will be reviewed by the CSR Committee. A system will be put in place to maintain a transparent monitoring and reporting mechanism across all the stakeholders involved in the CSR activities of the company, as desired by the CSR Rules (Section 135, Companies Act, 2013).

**CSR Reporting:**

The Board's Report of a company pertaining to the any financial year shall include an annual report on CSR containing particulars specified in Annexure I or Annexure II prescribed in Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.

**Publication on Website:**

The Board of Directors of the company shall, after taking into account the recommendations of CSR Committee, approve the CSR Policy for the company and disclose contents of such policy in its report and the same shall be displayed on the website of the company if any.

**General:**

Any or all provisions of the CSR Policy would be subject to revision / amendments in accordance with the guidelines / notifications / circulars / orders / rules as may be issued from Government, from time to time.

The Company reserves the right to modify, cancel, add or amend any provisions of the policy as mentioned hereinabove.

This CSR Policy as recommended by the CSR Committee has been approved by the Board of Directors.

**Effective Date:**

This policy is effective from 9<sup>th</sup> August, 2022

**JAYNIX ENGINEERING PRIVATE LIMITED**

**Sd/-**

Mr. Nikhil Diwakar

**Committee Chairperson**

**sd/-**

Mr. Ninad Diwakar

**Committee Member**

Place: Vadodara

Date: 09/08/2022