



# Jost's Engineering Company Limited

C-7, Wagle Industrial Estate, Road No. 12, Thane 400 604, Maharashtra, India  
CIN : L28100MH1907PLC000252 , Tel. : +91 2261174000, 25821727/46, Fax : +91 22 25823478  
Email : jostfact@josts.in Website: www.josts.com  
( Registered Office : Great Social Building, 60 Sir Phirozeshah Mehta Road, Mumbai 400 001 )

## **Jost's Engineering Company Limited**

### **Corporate Social Responsibility Policy**

(Effective Date: 14<sup>th</sup> November, 2022)

**“Corporate Social Responsibility (CSR)”** means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Companies Act, 2013 and rules made thereunder.

#### **Definitions**

**“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;

**“CSR Committee”** means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.

**“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.

**“Net Profit”** means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act.

The CSR Policy of Jost's is formulated in accordance with the provisions of section 135 of the Companies Act, 2013 and rules made thereunder and other applicable laws to the Company.

#### **Composition of CSR Committee**

In compliance with the provisions of Section 135 of the Companies Act, 2013, a CSR Committee has been constituted by the Board. CSR Committee at all times comprise a minimum of 3 directors out of which at least 1 director would be an Independent Director as per the requirement of the Act.

#### **Terms of reference of the CSR Committee**

1. Recommend to the Board, a CSR Policy (and modifications thereto from time to time) which shall provide approach and guiding principles for selection, implementation and monitoring of CSR activities to be undertaken by the Company or Foundation established by the Company or such other entities, as well as formulation of the annual action plan.
2. Formulate and recommend annual action plan, and any modifications thereof, to the Board.
3. Approve specific projects, either new or ongoing, in pursuance of the Areas of Interest outlined in this Policy, either for undertaking such projects by the Company itself, directly or through its Foundation or such other CSR entities.



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4. Recommend to the Board, the amount of expenditure to be incurred on the CSR activities in a financial year and the amount to be transferred in case of ongoing projects and unspent amounts.
5. Review the progress of CSR initiatives undertaken by the Company.
6. Monitor the CSR Policy of the Company from time to time and institute a transparent monitoring mechanism for implementation of the CSR projects referred to above.
7. Review and recommend to the Board, the Annual Report on CSR activities to be included in Board's Report.
8. Review and recommend to the Board, the impact assessment report, if applicable obtained by the Company from time to time.
9. Undertake such activities and carry out such functions as may be provided under Section 135 of the Act and the Rules.

The Committee shall meet as frequently as desired for the aforesaid purposes.

## **Selection of CSR Projects**

The CSR Project may be selected by the CSR Committee, either based on its own discretion or based on recommendations by any stakeholder or Director(s). The CSR Committee, while formulating the Annual Action Plan and recommending to the Board, will accord priority to the local areas and areas around it where the company operates and CSR activities as specified below.

The Company shall endeavor to spend in every financial year, atleast 2% of the average net profits made during the three immediately preceding financial years. In case the Company fails to spend such amount or spends in excess, the unspent amount or the excess amount respectively, shall be dealt with in accordance with the Act and Rules and requisite explanation shall be provided in the Board's Report. Any surplus arising out of the CSR activities shall not form part of the business profit of the Company and shall be dealt with in accordance with the Act and Rules.

## **Governance Mechanism**

The CSR Policy of the Company is governed by the Board of Directors of the Company. The Board has constituted a CSR Committee having optimum combination of Directors for monitoring the implementation of the programmes/projects through senior management team or implementing agencies responsible for implementing these programmes/projects.

The implementing agencies, including CSR entities, shall keep the Company informed about any information or circumstances that will affect the ability of the agency to carry out the CSR project or programme. Where the CSR amount spent results or resulted in creation or acquisition of capital asset, the Company shall confirm to the CSR Committee about the entity holding the capital asset in accordance with the Rules. The representatives of the Company and/or CSR entities shall carry out site visits/ field visits on a periodic basis.

The Company shall carry out impact assessment by engaging independent agency either directly or through CSR entities, in accordance with the Act and Rules. The CSR Committee shall review the progress reports received from the Company and implementing agencies. The CSR Committee shall also monitor the utilization of the funds disbursed for the purposes and in the manner approved by the Board. The outcome of impact assessment, as and when undertaken, and progress reports submitted, will be taken into consideration while engaging the implementation agencies for subsequent CSR projects and programmes and while finalizing the annual action plan for the subsequent year.



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To ensure compliance with Company's CSR Policy, Jost's shall:-

- Comply with the laws of our country
- Implement our CSR programs directly or through third party Trusts, Societies or Section 8 companies operating in India (including those set up by the Central / State governments for socio economic development and relief) and having at least three (3) year track record in carrying on activities in the related areas. Where considered appropriate, the Company may collaborate or pool its CSR corpus (either whole or part) with other companies who undertake similar CSR activities and where the investments done through such collaborative effort would qualify for computing CSR investments. At an appropriate time, consider the setting up of a separate entity to conduct our CSR activities by ourselves
- Ensure that all our stakeholders are aware of our commitment to the cause.
- Maintain high ethical standards throughout all interactions with local communities.
- Regularly monitor all our activities and dissemination of information transparently.
- The Corpus for any given relevant year would be 2% of the average Net Profits over the last preceding three years. Any income - or surplus arising out of the CSR activities shall not form part of the business profit of a 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

## CSR Activities

- Eradicating hunger, poverty and malnutrition, "promoting health care including 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;
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- 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;
- 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;
- 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;
- 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;
- Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;
- 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



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of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

- Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- Rural infrastructure development like setting up of Distance Education Centers, Rural BPOs, Community Centers, Skill Development Centers, Adoption of Primary Health Centers, Village Roads, Street Lights, Watershed Development activities, Revival of Water bodies, Irrigation and Water Storage Structures, etc.;
- Supporting and supplementing Government programmes and initiatives undertaken in relation thereto;
- Slum area development;
- Disaster management, including relief, rehabilitation and reconstruction activities.
- Any other activities as specified in the Schedule VII or such other activity/ies as may be amended/notified from time to time under the Companies Act, 2013 or any other laws, statutes and regulations as may be applicable, in line with the emerging societal circumstances and in consideration of changing national priorities of the Government.

## **Role/Responsibilities of the Board**

- The Board shall specify in its Report the reasons for not spending the amount if the Company fails to spend such amount.
- The Board may extend a non-ongoing project beyond one year based on reasonable justification.
- In case of ongoing project, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.
- The Board of the Company shall satisfy itself 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 shall certify to the effect.
- In case of ongoing project, the Board of the Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.
- The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.
- Where the Company spends an amount in excess of requirement, such excess amount may be set off by the Board against the requirement to spend up to immediate succeeding three financial years subject to the conditions that
  - (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any
  - (ii) the Board of the Company shall pass a resolution to that effect.
- A company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as well as for capacity building of their own personnel for CSR.



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## **Reporting and Disclosure of the Policy**

The CSR Committee shall report to the Board of the Company. The Composition of the CSR Committee, CSR projects approved by the Board. The Policy shall be disclosed on the website of the Company i.e. [www.josts.com](http://www.josts.com).

## **Need and Impact Assessment**

The Company shall undertake CSR activities in the interest of the society and the local population, preferably, where the Company operates. In terms of the CSR Rules, the Company shall undertake Impact Assessment, if require, through an independent agency, of its CSR projects having outlays of Rs. 1 (one) crore or more, and which have been completed not less than one year before undertaking the impact study. The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR. The Company undertaking impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

## **Amendment**

The Board of the Company may, subject to compliance with applicable law, at any time alter, amend or modify the CSR Policy as it deems fit to comply with the statutory obligation of the Company to undertake the CSR Activities.

Any notification/ circular or other statutory guideline(s)/ regulation(s) on the subject, that has the effect of amending any of the provisions quoted or referred to in this Policy, shall automatically have the effect of amending this Policy without the need of any further approval by the Board of Directors.

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