



Gem Aromatics Limited

(Formerly Known as Gem Aromatics Pvt. Ltd.)

Manufacturers & Exporters of Essential Oils & Aromatics Chemicals

Registered Office: A/410-411, A-Wing, Kailash Ind. Complex, Powai Vikhroli link Rd,
Vikhroli West, Mumbai-400079. Maharashtra, India,

Tel No: +91-25185231/25185931 CIN: U24246MH1997PLC111057

CORPORATE SOCIAL RESPONSIBILITY POLICY

Approving Authority	Board of Directors of Gem Aromatics Limited (formerly known as Gem Aromatics Private Limited) (“the Company”)
Adopted on	21/09/2023
Effective Date	This policy on corporate social responsibility of the Company (“CSR Policy / Policy”) shall come into effect from the date of its approval, i.e. adoption in the meeting of the Board of Directors.

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 of the Act 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.



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Facility 1: Plot No 2, Survey No.16/4/2, Near Alok Industries, Village Rakholi, Silvassa, Dadra & Nagar Haveli, Pin # 396230.

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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 areas:

Education	Promoting education, including special education to persons with intellectual and development disabilities
Health	Promoting healthcare including preventive health care
Environment	Environment sustainability, ecological balance, conservation of natural resources
Disaster Management	Managing and responding to disaster

However, in addition to aforesaid key thrust area, the Company is committed to attend to any of activities outlined in Schedule VII of the Act 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

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



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6. CSR COMMITTEE

As per the CSR Legal Framework, the Company is required to constitute a committee of board of directors to be called "CSR Committee", to consist of prescribed directors. Accordingly, the board of directors of the Company has constituted a committee in compliance with Section 135 of Companies Act. The CSR Committee shall act as per the applicable provisions of the law and within the terms of reference, if any, prescribed by Board of Directors of the company from time to time. The CSR Committee shall *inter-alia*:

- i. Formulate and recommend to the Board, the CSR Policy (including any amendment) identify specific CSR programmes/ projects areas to be undertaken by the Company subject to CSR Legal Framework;
- 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. 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 and disclose contents of such Policy in its report and also place it on the company's website.
- 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.



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- 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. Ensure the administrative overheads shall not exceed the limits specified under the CSR Legal Framework.
- viii. Ensure, subject to the CSR Legal Framework, 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 of the Company and spent in pursuance of this CSR Policy and Annual Action Plan of the Company or transfer such surplus amount to the Fund specified in Schedule VII of the Act within the stipulated period of time.
- ix. Ensure that surplus or unspent amount earmarked for CSR in any financial year is given effect as required under the CSR Legal Framework.
- x. 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;
- xi. 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. CSR EXPENDITURE

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.

9. 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.



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10. 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, or registered public trust or registered society established by the Company exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961 (43 of 1961), established by the Company, either singly or along with any other company.
 - A Company established under Section 8 of the Act, or 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 or a registered public trust or registered society exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
 - The CSR Activities shall not include any activity undertaken by the Company in pursuance of normal course of business of the Company.
 - The Company shall not make any payment directly or indirectly to Political Party (ies) for CSR Activities

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

While partnering with Implementing Agency, the credentials of such entities will be verified, and all requisite information and documentation as listed in **Annexure 2** would be obtained and necessary documentation would be completed.

- ii. The Company may also collaborate with other companies to undertake CSR Activities in such a manner as prescribed under CSR Legal Framework.

11. MONITORING

- i. The board of the Company shall ensure that the CSR Activities as included in this CSR policy are undertaken by the Company. The CSR Committee shall monitor the CSR policy from time to time.
- ii. The Company shall regularly monitor the annual action plan, CSR Activities and the CSR projects.
- iii. The CSR Projects taken up through Implementing Agency shall be monitored & evaluated at regular intervals.



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12. 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.



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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 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.

