

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

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Aragen Life Sciences Limited

Corporate Social Responsibility (CSR) Policy

1. CSR Philosophy & Policy

Aragen Life Sciences Limited (“Aragen”/ “the Company”) firmly believes that to succeed, an organization must maintain the highest standards of corporate behavior towards its investors, stakeholders, employees, and societies in which it operates. Aragen is committed to operating and growing its business in a socially responsible way with a vision to be an environmentally and people-friendly corporate citizen. As a responsible corporate citizen, Aragen has taken up various Corporate Social Responsibility (CSR) initiatives earlier and will continue to do so in the future.

2. Definitions

In this Policy, unless the context otherwise requires;

“**Act**” shall mean the Companies Act, 2013, and the rules framed thereunder as amended from time to time.

“**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 program.

“**Agency**” shall mean any Company registered under Section 8 of the Companies Act, 2013 or a registered trust or a registered society, exempted under sub-clauses (iv),(v), (vi), or (via) of Clause 23(c) of Section 10 or registered under Section 12 A and 80G of the Income Tax Act, 1961, performing social services for the benefit of the society at large;

- i) established by the Company, either singly or along with any other Company;
- ii) established by the Central Government/State Government;
- iii) having a track record of at least 3 years in undertaking similar activities; or
- iv) any other entity established under an Act of Parliament or a State Legislature.

“**Net profit**” means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:-

- i) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
- ii) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act.

“**Ongoing Project**” means a multi-year project undertaken by the Company in fulfillment of its CSR obligations having timelines not exceeding three years excluding the commencement year and shall include a 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 a reasonable justification.

All other words and expressions used and not defined in the Policy shall have the same meanings respectively assigned to them in the Companies Act, 2013 or any other act for the time being in force.

3. Thrust Areas of CSR Activities

While Aragen strives to undertake all or any suitable activity as specified in Schedule VII to the Act, currently the focus is to support and implement the following activities as thrust areas:

- i) Promoting education
- ii) Providing emergency medical care, and preventive health care
- iii) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, conservation of natural resources, promoting renewable sources of energy, building waste management capabilities, and creating awareness about sustainability issues.

4. Activities not covered or recognized

In terms of the Act, the following contributions will not be considered CSR Expenditure:

- a. Activities are undertaken in pursuance of the normal course of business of the Company;
- b. Any activity undertaken outside India except for training of Indian Sports personnel representing any state or union territory at the National level or India at the International Level.
- c. Contributions of any amount, whether directly or indirectly, to any political party or any person associated with a political party.
- d. Amount spent, whether directly or indirectly, for the benefit of employees of the Company, its Subsidiaries and Associates, and their families.
- e. Activities supported by the companies on a sponsorship basis for deriving marketing benefits for its products and services.
- f. Activities carried out for the fulfillment of any other statutory obligations under any law in force in India.
- g. Other contributions/expenses not recognized under the Act / Rules as amended or modified, from time to time.

5. Composition and Role of CSR Committee

The CSR Committee of the Board shall consist of three or more directors, out of which at least one director shall be an Independent Director.

The Board will review and reconstitute the Committee from time to time as may be required to make the composition of the Committee compliant with the Act.

The CSR Committee of the Board will:

- a. Formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act and amendments thereto from time to time.
- b. Recommend the amount of expenditure to be incurred on the CSR activities on an annual basis and from time to time.
- c. Formulate and recommend to the Board, an annual action plan, (and any alterations to such plan at any time during the year based on a reasonable justification to that effect) that shall include:
 - i. The list of CSR projects/programs to be undertaken by the Company during the financial year.
 - ii. Manner of execution of such projects/programs i.e.; whether directly or indirectly.
 - iii. The modalities of utilization of funds and implementation schedules for the projects and programs.

- iv. Monitoring and reporting mechanism for the projects/programs.
- v. Details of the need for impact assessment, if any, for the projects undertaken by the Company.
- d. Monitor the implementation of the framework of the CSR Policy, the CSR Annual Action Plan, and the CSR activities.
- e. Carry out any other function as mandated by the Board from time to time and/or enforced by any statutory notification, amendment, or modification, as may be applicable, necessary, or appropriate for the performance of its duties.
- f. Place before the Board, a draft annual report on CSR activities in the format prescribed by the Act, for Board's review and finalization.

6. Implementation of CSR Annual Action Plan

The CSR activities will be undertaken pursuant to the CSR Annual Action Plan approved by the Board. The CSR Committee may authorize engaging external Agencies for designing, monitoring, and evaluating the CSR Projects.

The CSR activities shall be carried out / implemented, directly by the Company, or indirectly through Aragen Foundation or an Agency that has registered itself with the Central Government for undertaking CSR Activities by filing Form CSR-1. The Company may collaborate with other companies for undertaking CSR activities in such a manner that CSR Committees of respective companies are able to report separately on such projects/programs undertaken.

While spending the earmarked amount of CSR, preference shall be given to the local areas and areas around the Company where it operates. However, this shall not bar the Company from pursuing its CSR activities in any other areas.

The Board of the Company shall satisfy itself that the funds are properly utilized on such approved projects/programs and the Chief Financial Officer or the person responsible for financial management shall certify to that effect.

7. CSR Spend and dealing with the unspent amount

a) Spending Requirement:

The Company shall in every financial year spend a minimum of 2% of the average net profits of the Company made during the three immediately preceding financial years, towards CSR activities. In the absence of Net Profits, the Company may spend such feasible amounts as may deem fit by the Board.

b) Treatment of the surplus:

Any surplus arising out of any CSR Project/program shall not form part of the business profit of the Company and shall be:

- i) ploughed back into the same project/program or
 - ii) transferred to the Unspent CSR Account to be spent pursuant to the CSR Policy and annual action plan or
 - iii) transferred to a Fund specified in Schedule VII of the Act;
- within six months from the end of the financial year to which such surplus relates.

c) Excess Spending:

The Company may spend an amount above the aforementioned limit on CSR activities, as it may deem fit. In such cases, the excess amount spent during the financial year may be set off against the requirement to spend up to immediately succeeding three financial years, subject to the approval of the Board of Directors, provided that such excess amount spent does not include the surplus arising out of CSR activities.

d) Acquisition of Capital Asset

The CSR amount may be spent by the Company on the creation or acquisition of a capital asset, which may be held by:

- i) an Agency
- ii) beneficiaries of the said CSR Project, in the form of self-help groups, collectives, entities, etc., or
- iii) a public authority

e) Administrative Overheads

The Administrative Overheads shall not exceed five percent of the CSR Expenditure of the Company for the financial year.

f) Dealing with unspent CSR Amount:

The Company shall endeavor to spend the entire amount earmarked for CSR activities every year. If the Company fails to spend the entire amount any year, the reasons for not spending shall be highlighted by the CSR Committee to the Board and shall be mentioned in the Board's Report relating to such year. The unspent amount shall be treated in the following manner:

- i) Unspent amount pursuant to any Ongoing Project shall be transferred to an "Unspent Corporate Social Responsibility Account" ("the account") opened specifically for the purpose with a Scheduled Bank, within 30 days from the end of the financial year to which unspent amount relates to. The amount in the account shall be spent by the Company on such ongoing project(s) within three financial years, failing which, the unspent amount shall be transferred to a fund specified in Schedule VII of the Act, within thirty days from the end of the third financial year.
- ii) Unspent amount other than earmarked for the Ongoing Project as aforesaid shall be transferred to a fund specified in Schedule VII of the Act within six months from the end of the financial year to which the unspent amount relates.

8. Impact Assessment

The CSR Committee may direct undertaking of impact assessment through an independent agency of the CSR Projects having outlays of Rupees One Crore or more, and which have been completed not less than one year before taking the impact study.

The Impact Assessment reports shall be placed before the Board and shall be annexed to the Annual Report on CSR.

The expenditure of Impact Assessment shall be booked towards CSR for the financial year, which shall not exceed 2% of the CSR Expenditure for the financial year or Rupees fifty lakhs, whichever is higher.

9. Monitoring & Reporting

The Chief Financial Officer of the Company is designated as the CSR Officer of the Company who shall coordinate/review the implementation of CSR activities in various areas and report to the CSR Committee.

The CSR Committee shall meet periodically, but at least once a year, to monitor the implementation of the CSR Plan and its activities and place before the Board, a draft annual report on CSR activities in the format prescribed by the Act, for Board's review and finalization.

The Board will include in its report to the shareholders, the composition of the CSR Committee and the annual report on CSR activities in the format prescribed by the Act.

In the case of an Ongoing Project, the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation, and shall make required modifications, if any, for smooth implementation of the project.

The Company Secretary of the Company shall assist the CSR Committee and the Board in performing their respective duties under the CSR Policy.

10. General

A. Applicable Law to prevail over the Policy

In the event of any conflict between the provisions of this Policy and the Act, the provisions of the Act shall prevail.

B. Displaying on the website

The CSR Policy, as amended from time to time, the details of the composition of the CSR Committee, and the list/details of CSR projects approved by the Board shall be displayed on the Company's website.