

**ADVENT CHEMBIO PRIVATE LIMITED**

**CIN: [U24233MH2012PTC238986]**

**Corporate Social Responsibility Policy**

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**Version 1.0**

**Private and Confidential**

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## 1. Preamble

As per Section 135 of the Companies Act, 2013 stipulates that **Corporate Social Responsibility (“CSR”)** is mandatory for Indian companies with a net worth of INR 500 Crores or more; or a turnover of INR 1,000 Crores or more; or net profits of INR 5 Crores or more during any financial year.

**Advent Chembio Private Limited** (the “**Company**”) falls under the criteria of having net profits exceeding Rs. 5 Crores and is required to establish a CSR committee, to formulate a CSR policy and to recommend expenditure to CSR projects. The Company is required to spend at least 2% of the company’s average annual net profits over the preceding three financial years on CSR activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.

## 2. Approach and Guiding Principles

The Company is passionate in its enforcement towards strong corporate principles and is committed towards sustainable growth and development. The Company promotes a strong corporate culture which emphasizes integrating CSR values with business goals.

To attain its CSR objectives in a professional and integrated manner, the Company shall focus on a number of principles, examples of which may include:

- a. Emphasize on providing basic nutrition/health care facilities with special focus on activities affecting the lives of the mother and child as well as the elderly and terminally ill.
- b. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.
- c. Encourage the development of human capital of the Nation by expanding human capabilities through skills development, vocational training etc. and improve potential for meaningful employment.
- d. Assist in skill development by providing direction and technical expertise to the marginalized thereby empowering them towards a dignified life.
- e. Create a business value chain which is sustainable – environmentally + socially + economically.
- f. Promoting the wellbeing and development of employees and their families through an inspiring corporate culture that engenders good values.
- g. At the time of national crisis, as a company it is imperative for us to respond to emergency situations & disasters by providing timely help to affected victims and their families

## 3. CSR Committee

The Company shall constitute a CSR Committee consisting of the following 3 Directors.

- Mr Amit Singh
- Dr Rashmi Mohanty
- Mr Rajesh Singh

The Committee shall hold meetings as and when required, to discuss various issues on implementation of the CSR Policy of Company.

It is the duty of the CSR Committee to formulate and recommend to the Board:

- a) A CSR Policy;
- b) Recommend the amount of expenditure to be incurred on the CSR activities; and
- c) Monitor the CSR Policy of the Company from time to time.

#### **4. CSR Policy**

##### **4.1 Annual Action Plan for CSR Activities**

The CSR Committee shall formulate and recommend to the board, Annual Action Plan, in pursuance of Companies Act, 2013 and this policy. The Annual Action plan shall include the following:

- a) The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- b) The manner of execution of such projects or programmes
- c) The modalities of utilization of the funds and implementation schedules for the projects or programmes;
- d) Monitoring and reporting mechanism for the projects or programmes; and
- e) Details of need and impact assessment, if any, for the projects undertaken by the company.

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

##### **4.2 Implementation**

The CSR initiatives will be undertaken by the Company itself or through any eligible/qualifying implementing partners/ agencies. The Company may also implement its CSR activities through Corporate Foundations/Trusts any other eligible entity established by the Company singly or along with any other Company.

The Company may also collaborate with other Companies to undertake CSR projects to programs, provided by the CSR Committees of the respective Companies are in a position to report separately on such projects or programs. For CSR activities undertaken through other Executing Agency, the Company will specify the projects or programs to be undertaken through these agencies, the modalities of utilization of funds on such projects or programmes and the monitoring and reporting mechanism.

### **4.3 Monitoring Process**

The Company has instituted a robust and transparent monitoring mechanism to oversee and track the implementation of its CSR projects. All CSR projects will be evaluated against the milestones defined in the implementation plan of the project.

### **4.4 Revision of Policy**

Revision/amendments to this Policy can only be made by the CSR Committee with due approval of the Board.

## **5. CSR Expenditure**

The Company is required to spend at least 2% of the company's average annual net profits over the preceding three financial years on CSR activities. The amount of expenditure to be incurred on the CSR activities for a given year will be as approved by the CSR Committee from time to time, subject to meeting the minimum requirements of the Companies Act, 2013.

The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.

If CSR expenditure in a financial year exceeds the statutory limit, such excess may be set-off against CSR expenditure for the next three financial years with the approval of the Board, on the recommendation of the CSR Committee.

#### ➤ **Administrative Expenditure**

The Company may spend up to 5% of the total CSR expenditure in one financial year on administrative expenses relating to the general management and administration of CSR functions in the company.

#### ➤ **Unspent Amount**

Any unspent amount, other than unspent amount relating to an ongoing project, will be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. Further, unspent CSR funds of ongoing projects will be transferred within a period of 30 days from the end of the financial year to a special account opened by the company in any scheduled bank called the "Unspent Corporate Social Responsibility Account". Such amount shall be spent by the company towards CSR 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.

*"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;"*

## **6. Duties of the Board on CSR**

The Board of the Company shall approve the CSR Policy, approve CSR investments each year, disclose contents of such Policy in its Directors report, and ensure that the activities as are included in this Policy are undertaken by the Company.

## **7. CSR Reporting**

In terms of the requirement of section 135 of the Companies Act, 2013 and rules made there under CSR Report shall be prepared on annual basis as prescribed there under and shall be annexed with the Annual Report of the Company. CSR Committee shall also submit a responsibility statement that CSR policy has been followed in letter and spirit in compliance with CSR Objectives.

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