

VASUNDHARA RASAYANS LIMITED
CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY
(effective from 01/04/2024)

Corporate Social Responsibility (CSR) Policy

1. Preamble

Corporate Social Responsibility under Section 135 of the Companies Act, 2013 reflects the Company's commitment to sustainable and inclusive development. The Company shall undertake CSR activities only in financial years when CSR is applicable under the Act and the Companies (Corporate Social Responsibility) Rules, 2014, as amended from time to time

2. Applicability and Annual Check

- The Company's management shall review the applicability of CSR every financial year based on the financials of the immediately preceding financial year, i.e., whether the Company meets any one of the following:

Net worth \geq ₹500 crore, or
Turnover \geq ₹1,000 crore, or
Net profit \geq ₹5 crore.

- CSR provisions (including formulation of CSR Policy and expenditure) shall apply only in those years where the thresholds are met; no CSR obligation shall arise in years where none of the criteria are satisfied

3. CSR Obligation (if applicable)

- If CSR is applicable in a financial year, the Company shall spend at least 2% of the average net profits of the three immediately preceding financial years, subject to the definition of "net profit" in Rule 2(f) of the CSR Rules, 2014.
- The Company shall spend only if and when CSR is applicable; no standing commitment is created for years in which CSR is not triggered

4. Governance (CSR Committee not required)

Since the annual CSR obligation will remain less than ₹50 lakh whenever CSR is applicable, the requirement to constitute a separate CSR Committee under Section 135 does not apply.

The Board of Directors shall perform all CSR-related functions, including:

- approving the CSR Policy and any amendments,
- approving the projects/programmes to be undertaken, and
- overseeing implementation and monitoring

5. Nature and Location of CSR Activities

- CSR activities shall be confined to the **objects specified in Schedule VII of the Companies Act, 2013**, and shall be undertaken **only in India**.
- Preference may be given to projects in the **local area and area(s) of operation** of the Company, as decided by the Board.

6. Exclusions and Restrictions

The following shall **not** be treated as CSR expenditure:

- Any activity exclusively benefiting the **Company's employees and their families**,
- Any **direct or indirect contribution to a political party**, and
- Any expenditure **not in conformity with Schedule VII**.

Expenditure on **CSR-capacity-building** (of the Company or implementing agencies) shall not exceed **5% of total CSR expenditure** in the financial year.

7. Unspent CSR Amount (if any)

- If the Company **fails to spend the required amount** in a financial year when CSR is applicable, the **unspent amount** shall be transferred to a "**Unspent CSR Account**" within six months of the expiry of that financial year and utilised within **three financial years**, as per the CSR Rules.
- If not spent within three years, the balance shall be transferred to such funds specified in **Schedule VII** as notified by the Central Government.

8. Disclosure and Reporting

- The Company shall include in the **Board's Report**, such particulars relating to CSR as required under the CSR Rules, including the fact that CSR is **applicable only in certain years**, amount spent (if any), and reasons for any unspent amount.
- The Company shall display on its **website** the CSR Policy and, in CSR-applicable years, details of projects and expenditure.

9. Review and Amendment

- The Board shall review the CSR Policy **at least once in every three financial years**, or earlier if there are **amendments to the Act, Schedule VII, or the CSR Rules, or changes in the Company's financial profile**

