

**SYNGENE
CORPORATE SOCIAL
RESPONSIBILITY POLICY**

CORPORATE SOCIAL RESPONSIBILITY POLICY AND CHARTER

OF

SYNGENE INTERNATIONAL LIMITED

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PREAMBLE

Syngene International Limited (“the Company”), a leading contract research, development and manufacturing organization, undertakes Corporate Social Responsibility (CSR) initiatives based on the principles of social and economic inclusion.

The Company’s CSR activities are designed to foster social and economic equity primarily focused on community health, environmental sustainability, research and science education. Activities will be evidence-based and delivered in conjunction with experienced partners to ensure that the outcomes are positive, measurable and self-sustaining. Where possible, activities will be designed to foster volunteering opportunities for Syngene employees.

In providing oversight for CSR activities, the CSR Committee (“the Committee”) of the Company will comply with the statutory requirements of the Companies Act, 2013 (“the Act”) and the relevant rules within the parameters of this policy.

SCOPE & PURPOSE

This policy has been formulated in accordance with Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as “the CSR Rules”) as notified by the Ministry of Corporate Affairs. The relevant sections of the Act and CSR Rules have been enclosed as an **Appendix** to this Policy. The Policy applies to all CSR activities undertaken by the Company as per the Act, whether directly or through implementing agencies.

This Policy aims to establish boundaries for acceptable behaviour and guidelines for best practices in CSR.

VISION, MISSION & STRATEGY

Vision- The Company aims to contribute to social and economic equity in the communities within which it operates with a focus on community health, environmental sustainability, research and science education, while providing opportunities for Syngene employees to engage with communities through volunteering.

Strategy- The Company’s CSR strategy is developed in consultation with multiple stakeholders, refreshed regularly and implemented based on needs of the local communities and the unique knowledge and capabilities of the Company. The Company undertakes community-based environmental, educational, research and social programs, in collaboration with approved institutions, directly or through implementing agencies.

APPROACH

Approach - The Company partners with research and community-based groups primarily to deliver improvements in community health, environmental sustainability and science education. The Company seeks to make its initiatives inclusive and transparent and some of them, suitable for employee volunteering.

GUIDING PRINCIPLES

The CSR Committee adheres to the following guiding principles in connection with the CSR activities/projects[#] of the Company:

- **Selection of CSR project/activity:**
Areas for CSR interventions are chosen based on community needs focusing primarily on community health, environmental sustainability, research and science education.
- **Implementation of CSR projects/activity:**
CSR projects are evidence-based and implemented in an inclusive and equitable manner that clearly demonstrates transparent and sustainable practices. Where possible, implementation will be enhanced through employee participation as volunteers.
- **Monitoring of activities:**
Periodic reviews of CSR activities are designed to ensure that objectives are being achieved and resources are allocated as needed. All projects are initiated with defined goals and the larger ones undergo periodic impact assessments to validate the activities, evaluate progress and provide an evidence base for all stakeholders.
- **Formulation of the annual action plan:** *
The annual action plan is approved by the CSR Committee after ascertaining that the projects conform with the direction and approach laid out in this Policy. The action plan specifies the nature of the planned interventions, the agreed timelines and associated budgetary allocations. The annual action plan is reviewed quarterly to assess delivery of interventions, utilisation of funds and the impact of each activity.

*Note: Annual action plan is as defined under the Companies Act, 2013.

#Note: The term "project" includes any CSR programme, unless otherwise mentioned in the Act.

GOVERNANCE

Composition of CSR Committee

The Composition and functioning of the Committee is aligned with the requirements specified in the Act.

- **Chairperson** - In case the Chairperson is not available for the meeting the members present may elect one among them to be the Chairperson of the meeting.
- **Invitees** – In addition to the members of the Committee, any other director/person may be invited to the meeting to bring special knowledge etc. into the discussion.
- **Secretary** – The Company Secretary of the Company acts as coordinator and Secretary to the Committee.

Role and Responsibilities of the Board

In line with the provisions of the Act, the Company's Board of Directors are responsible for:

- Forming a CSR Committee;
- Approving the CSR policy, including periodic review and updates based on recommendations made by the CSR Committee;

- Ensuring that the activities as included in CSR Policy of the Company are undertaken by the Company;
- Ensuring disclosure of the composition of the CSR Committee, CSR Policy and projects approved by the Board on the Company's website for public access.
- Approving the CSR budget and annual action plan and any alterations thereto as recommended by the CSR Committee.
- Making disclosures in the Boards' report as specified in the Act and complying with any applicable statutory requirements.

Role and Responsibilities of CSR Committee

- Formulate and recommend a CSR policy to the Board and seek their approval. Review and reassess periodically the adequacy of this policy and recommend any proposed change to the Board for its approval.
- Ensure that the list of CSR activities which the Company plans to undertake falls under the purview of the Act..
- Recommend CSR activities and budget to the Board for approval.
- To review and monitor all CSR activities from time to time and regularly report to the Board on the progress.
- To formulate and recommend to the Board, an annual action plan in pursuance of this policy, as per the CSR rules.
- To recommend to the Board alteration, if any, to the annual action plan at any time during the financial year based on the reasonable justification to that effect.
- To undertake self-evaluation of its own functioning and identification of areas for improvement to promote better governance.

Procedure and Quorum

- **Time and frequency of meetings** – The Committee meets three times per year as a minimum - and when the need arises - to discharge its roles and responsibilities. Members who are not physically present may attend through video / teleconference.
- **Quorum for meetings** – A minimum of two members present including those who attend via video conference will be considered as quorum. Members attending meeting through teleconference are to be excluded for the purpose of quorum.
- **Sitting fees** – The members of the Committee are eligible for payment of sitting fees, if any, approved by the Board.
- **Onward Reporting** – The Minutes of each meeting of the Committee will be circulated within 15 days from the date of each meeting, or as per prevailing applicable laws or Secretarial Standards, to all committee members for their comments. Minutes will be placed before the Board in the subsequent meeting.
- **Clarifications** - In case of any ambiguity or clarification, the Company should refer to the applicable secretarial standards, provisions of the Act and CSR Rules thereunder, SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, and Articles of Association of the Company and the law will prevail in such a situation.

CSR CONTRIBUTION

The Company must spend at least two percent (2%) of its average net profit of the three preceding financial years on CSR activities in accordance with the provisions of the Act. The amount of net profit will be calculated in accordance with the Act.

Any surplus arising out of CSR activities will be reinvested into CSR initiatives and this will be over and above the spending of mandated 2% expenditure, in pursuance of the Act.

The amount remaining unspent on any ongoing project will be managed as outlined under the CSR Rules.

AREAS OF ACTIVITY

The Company has identified the core areas for undertaking its CSR activities. These include community health, environmental sustainability, research and science education.

In addition, the Company may undertake other activities as provided under Schedule VII of the Act:

The Company will ensure that a needs assessment has been undertaken prior to approval of projects. It will also ensure that impact assessment is undertaken for large projects.

MODES OF EXECUTION

The Company can either partner with external agencies ('Implementing Agencies') to undertake CSR activities or execute them directly. Implementing Agencies must satisfy all requirements specified in the Act.

Below are the Implementing Agencies through which CSR activities may be implemented.

1. Biocon Foundation:

- **In-house execution-** directly execute projects.
- **Partnership-** in collaboration with community-based organisations through a memorandum of understanding to fulfil the CSR obligations.

Grants - provide grants to NGOs, trusts and academic institutions under the Grant-in-Aid initiative for innovative and impactful social projects. In these cases, Biocon Foundation, or other qualified individuals in the Company, will evaluate the proposals of grant seekers and conduct due diligence when necessary before seeking approval from CSR Committee to release a grant. Organisations as prescribed under the Act and CSR Rules made thereunder shall be selected to carry out such activities. The grant recipients will provide a full account of how funds have been used as well as project progress reports with Biocon Foundation.

2. Biocon Academy:

Biocon Academy is one of the Implementing Agencies. It aims to address the skill deficit in the Biopharma sector, by developing high-end talent through advanced learning for the country at large.

3. **Other external Agency:** CSR activities can be undertaken through any other Implementing Agency, as deemed fit by the Committee. Such Agency must satisfy the statutory requirements as specified in the Act.

REPORTING AND ADMINISTRATION

Implementing Agencies will report to the Committee at least twice a year on the progress of their projects, including any unspent budget allocated to CSR initiatives. The Implementing Agencies should provide content for the Annual Report in a timely fashion.

AMENDMENTS

The Committee will review the policy on a regular basis to ensure relevance and compliance with new laws and regulations. The Committee will amend it as necessary with approval of the Board of Directors. Once approved by the Board, the Committee will inform all major stakeholders and provide them with a copy of the approved new version.

EFFECTIVE DATE

This policy will come into force from the date of its approval by the Board of Directors of the Company. This policy will replace all previous policies.

CONTACTS

For more information, please contact us at-

<p>Syngene International Limited Registered Address: Biocon Park, Biocon SEZ, Bommasandra Industrial Area - Phase-IV Bommasandra Jigani Link Road, Bangalore 560 099, India. E: investor@syngeneintl.com T: +91 80-6775 8000</p>	<p>Biocon Foundation Head Office: 20th KM, Hosur Road, Electronic City, Bengaluru, Karnataka 560 100, India. E: info.bioconfoundation@biocon.com T: +91-80-2808 2175</p>
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Approved by the Board on April 24, 2014. Amended on April 24, 2019, April 27, 2021 and April 26, 2023.

APPENDIX – CSR Provisions as per Companies Act, 2013 and rules thereunder

- i. “Act” means the Companies Act, 2013.
- ii. “Administrative overheads” means the expenses incurred by the company for ‘general management and administration’ of Corporate Social Responsibility functions in the company. It does not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.

iii. “Corporate Social Responsibility (CSR)” means the activities undertaken by a Company in pursuit of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but does not include the following, namely:

- activities undertaken in the normal course of business of the company

Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that:

- (a) Such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act.
- (b) The details of such activity shall be disclosed separately in the Annual report on CSR included in the Board’s Report.

- Any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level.
- Contribution of any amount directly or indirectly to any political party under section 182 of the Act.
- Activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019).
- Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services.
- Activities carried out for fulfilment of any other statutory obligations under any law in force in India.

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

v. “CSR Policy” means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

vi. “International Organisation” means an organisation notified by the Central Government as an international organisation under section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), to which the provisions of the Schedule to the said Act apply.

vii. “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: –

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

Provided that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381, read with section 198 of the Act;

- viii. "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. It also includes projects that were not initially approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.
- ix. "Public Authority" means 'Public Authority' as defined in clause (h) of section 2 of the Right to Information Act, 2005 (22 of 2005).

Section 135 of the Companies Act, 2013 - Corporate Social Responsibility.

- (1) Every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more Directors, out of which at least one director shall be an independent director.
Provided that where a company is not required to appoint an independent director under sub-section (4) of section 149, it shall have in its Corporate Social Responsibility Committee two or more Directors.
- (2) The Board's report under sub-section (3) of section 134 shall disclose the composition of the Corporate Social Responsibility Committee.
- (3) The Corporate Social Responsibility Committee shall,—
 - (a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII;
 - (b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
 - (c) monitor the Corporate Social Responsibility Policy of the company from time to time.
- (4) The Board of every company referred to in sub-section (1) shall,—
 - (a) after taking into account the recommendations made by the Corporate Social Responsibility Committee, approve the Corporate Social Responsibility Policy for the company and disclose contents of such Policy in its report and also place it on the company's website, if any, in such manner as may be prescribed; and
 - (b) ensure that the activities as are included in Corporate Social Responsibility Policy of the company are undertaken by the company.
- (5) The Board of every company referred to in sub-section (1), shall ensure that the company spends, in every financial year, at least two per cent. of the average net profits of the company made during the three immediately preceding financial years or where the company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy:

Provided that the company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities:

Provided further that if the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project referred to in sub-section (6), transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

Provided also that if the company spends an amount in excess of the requirements provided under this sub-section, such company may set off such excess amount against the requirement to spend under this sub-section for such number of succeeding financial years and in such manner, as may be prescribed.

Explanation.—For the purposes of this section “net profit” shall not include such sums as may be prescribed, and shall be calculated in accordance with the provisions of section 198.

- [6] Any amount remaining unspent under sub-section (5), pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three 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 thirty days from the date of completion of the third financial year.
- (7) If a company is in default in complying with the provisions of sub-section (5) or sub-section (6), the company shall be liable to a penalty of twice the amount required to be transferred by the company to the Fund specified in Schedule VII or the Unspent Corporate Social Responsibility Account, as the case may be, or one crore rupees, whichever is less, and every officer of the company who is in default shall be liable to a penalty of one-tenth of the amount required to be transferred by the company to such Fund specified in Schedule VII, or the Unspent Corporate Social Responsibility Account, as the case may be, or two lakh rupees, whichever is less.
- (8) The Central Government may give such general or special directions to a company or class of companies as it considers necessary to ensure compliance of provisions of this section and such company or class of companies shall comply with such directions.
- (9) Where the amount to be spent by a company under sub-section (5) does not exceed fifty lakh rupees, the requirement under sub-section (1) for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Directors of such company.

Schedule VII of the Companies Act, 2013

Activities which may be included by companies in their Corporate Social Responsibility Policies
Activities relating to:—

- (i) Eradicating hunger, poverty and malnutrition, “promoting health care including preventive health care”] and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water
- (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects
- (iii) 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
- (iv) 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
- (v) 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 art and handicrafts
- (vi) measures for the benefit of armed forces veterans, war widows and their dependents, 9[Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows]
- (vii) training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports
- (viii) 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 govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- (ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and
(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defence Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- (x) rural development projects

(xi) slum area development

Explanation.- For the purposes of this item, the term `slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.]

(xii) disaster management, including relief, rehabilitation and reconstruction activities.]

Companies (Corporate Social Responsibility Policy) Rules, 2014.

Short Title and Commencement

(1) These rules may be called the Companies (Corporate Social Responsibility Policy) Rules, 2014. They shall come into force on the 1st day of April, 2014.

2. Definitions. - (1) In these rules, unless the context otherwise requires,-

- (a) “Act” means the Companies Act, 2013 (18 of 2013);
- (b) “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;
- (c) “Annexure” means the Annexure appended to these rules;
- (d) “Corporate Social Responsibility (CSR)” means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely:-
 - (i) activities undertaken in pursuance of normal course of business of the company: Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that-
 - (a) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;
 - (b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board’ s Report;
 - (ii) any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
 - (iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
 - (iv) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
 - (v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;

- (vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India;
 - (e) “CSR Committee” means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act;
 - (f) “CSR Policy” means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;
 - (g) “International Organisation” means an organisation notified by the Central Government as an international organisation under section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), to which the provisions of the Schedule to the said Act apply;
 - (h) “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: Provided that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381, read with section 198 of the Act;
 - (i) “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;
 - (j) “Public Authority” means ‘Public Authority’ as defined in clause (h) of section 2 of the Right to Information Act, 2005 (22 of 2005);
 - (k) “section” means a section of the Act.
- (2) Words and expressions used and not defined in these rules but defined in the Act shall have the same meanings respectively assigned to them in the Act.

3. Corporate Social Responsibility

- (1) Every company including its holding or subsidiary, and a foreign company defined under clause (42) of section 2 of the Act having its branch office or project office in India, which fulfills the criteria specified in sub-section (1) of section 135 of the Act shall comply with the provisions of section 135 of the Act and these rules:

Provided that net worth, turnover or net profit of a foreign company of the Act shall be computed in accordance with balance sheet and Profit and loss account of such company prepared in accordance with the provisions of clause (a) of sub-section (1) of section 381 and section 198 of the Act

Provided further that a company having any amount in its Unspent Corporate Social Responsibility Account as per sub-section (6) of section 135 shall constitute a CSR Committee and comply with the provisions contained in sub-sections (2) to (6) of the said section.

4. CSR Implementation.

- (1) The Board shall ensure that the CSR activities are undertaken by the company itself or through-
 - (a) a company established under section 8 of the Act, or a registered public trust or a 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 (43 of 1961), established by the company, either singly or along with any other company; or
 - (b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
 - (c) any entity established under an Act of Parliament or a State legislature; or
 - (d) a company established under section 8 of the Act, or a registered public trust or a 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.
Explanation.- For the purpose of clause (c), the term “entity” shall mean a statutory body constituted under an Act of Parliament or State legislature to undertake activities covered in Schedule VII of the Act.
- (2) (a) Every entity, covered under sub-rule (1), who intends to undertake any CSR activity, shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar, with effect from the 01st day of April 2021:

Provided that the provisions of this sub-rule shall not affect the CSR projects or programmes approved prior to the 01st day of April 2021.
 - (b) Form CSR-1 shall be signed and submitted electronically by the entity and shall be verified digitally by a Chartered Accountant in practice or a Company Secretary in practice or a Cost Accountant in practice.
 - (c) On the submission of the Form CSR-1 on the portal, a unique CSR Registration Number shall be generated by the system automatically.
- (3) A company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR.
- (4) A company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with these rules.
- (5) The Board of a company shall satisfy itself that the funds so disbursed have been utilised 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.

- (6) 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.

5. CSR Committees

- (1) The companies mentioned in the rule 3 shall constitute CSR Committee as under:-

(i) a company covered under subsection (1) of section 135 which is not required to appoint an independent director pursuant to sub-section (4) of section 149 of the Act, shall have its CSR Committee without such director ;

(ii) a private company having only two directors on its Board shall constitute its CSR Committee with two such directors;

(iii) with respect to a foreign company covered under these rules, the CSR Committee shall comprise of at least two persons of which one person shall be as specified under clause (d) of sub-section (1) of section 380 of the Act and another person shall be nominated by the foreign company.

- (2) The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR Policy, which shall include the following, namely:-

(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 as specified in subrule (1) of rule 4;

(c) the modalities of utilisation of 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.

6. CSR Policy

Omitted

7. CSR Expenditure

- (1) The board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

- (2) Any 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.

- (3) Where a company spends an amount in excess of requirement provided under sub-section (5) of section 135 , such excess amount may be set off against the requirement to spend under sub-

section (5) of section 135 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, in pursuance of sub-rule (2) of this rule.

(ii) the Board of the company shall pass a resolution to that effect.

(4) The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by -

(a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or

(b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or

(c) a public authority:

Provided that any capital asset created by a company prior to the commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, shall within a period of one hundred and eighty days from such commencement comply with the requirement of this rule, which may be extended by a further period of not more than ninety days with the approval of the Board based on reasonable justification.

8. CSR Reporting

(1) The Board's Report of a company covered under these rules pertaining to any financial year shall include an annual report on CSR containing particulars specified in Annexure I or Annexure II, as applicable.

(2) In case of a foreign company, the balance sheet filed under clause (b) of sub-section (1) of section 381 of the Act, shall contain an annual report on CSR containing particulars specified in Annexure I or Annexure II, as applicable.

(3) (a) Every company having average CSR obligation of ten crore rupees or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.

(b) The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

(c) A Company undertaking impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed two percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is higher.

9. Display of CSR activities on its website - The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.

10. Transfer of unspent CSR amount - Until a fund is specified in Schedule VII for the purposes of subsection (5) and (6) of section 135 of the Act, the unspent CSR amount, if any, shall be transferred by the company to any fund included in schedule VII of the Act.