



Corporate Social Responsibility Policy
of
Enzene Biosciences Limited

(Effective from February 2024 As Approved by The Board of Director in Their Meeting Held On 6th February, 2024)

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1. Background

The history of corporate social responsibility involves everything from philanthropic responsibility to environmental sustainability and all the intra-company workings in between, such as ethical labour practices.

Over the last two decades, Corporate Social Responsibility has continued to evolve and still falls under the umbrella of corporate citizenship. More than ever, social and environmental performance is in the spotlight.

Consumers have also driven companies to look at Corporate Social Responsibility more closely. With the increased use of social media and how quickly information is spread, there is more pressure to be socially responsible and focus on ethical responsibility as well as environmental responsibility.

Although it's viewed as a separate part of running a business, it may have instances where it has positive influence on financial performance in a plethora of ways.

Thus, it is hereby concluded that, CSR shall not be considered as an expense to the Company but shall be treated as an Investment for the Company.

2. Objective/ vision/ Applicability

As Enzene Biosciences Limited (herein after referred to as “Enzene/ the Company”) is driven by Passion Innovation & Life, this CSR Policy addons to our commitment to expand beyond our reach to deliver trusted and affordable medicines for a better quality of life.

Though the increasing technology platforms has made us acknowledgeable in the world, there still exist such areas where sustainable life, respectful treatment, innovation, entrepreneurship skills, basic necessities, affordable medicines has not yet reached and with the CSR platform, we urge to spread the awareness in a possible way.

In other way, Policy will act as guidance for CSR programs and activities to be undertaken by Enzene.

As pe provisions of the Companies Act, following are the stages of applicability of Corporate Social Responsibility:

Sr.No	Provisions of CSR under Companies Act	Event Based Applicability	Applicability to Enzene as on the date of this Policy
1	Constitution of CSR Policy	Company meets the threshold limits of Net worth, Turnover or Net Profit	Applicable

2	Constitution of CSR Committee	If the CSR amount to be spent does not exceeds 50 lakhs rupees	Not Applicable
3	Formulation of CSR Policy	In the event CSR Committee is not applicable, Board shall formulate the CSR Policy	Board will formulate CSR Policy
4	Implementation of CSR Projects	Company meets the threshold limits expenditure of 2% of Net Profit	Not Applicable

Note: Other provisions of the Act will be governed by this CSR Policy upon its applicability and the same will get notified by the Company through the provisions of disclosure.

The following provisions of the Enzene’s CSR Policy is crafted taking into consideration the provisions of the Companies Act, 2013 ("Act") and the rules issued thereunder.

3. Activities under CSR

Companies Act 2013 and CSR Rules has prescribed following areas for CSR expenditure and Enzene may undertake any of the following activities as per the instruction of CSR Committee or the Board as the Case may be:

- (i) Hunger: 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) Education and Livelihood: Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- (iii) Health: Promotion of healthy practices, activities related to enhancing health in communities, Setting-up clinics and camps for health check-ups, providing sustainable health support to community
- (iv) Gender and Social Equality: 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
- (v) Environment: 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

(vi) Art & Culture: 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 arts and handicrafts

(vii) Army: Measures for the benefit of armed forces veterans, war widows and their dependents

(viii) Sports: Training to promote rural sports, nationally recognised sports, para olympic sports and Olympic sports;

(ix) PM Relief Fund: Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

(x) Incubators: Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;

(xi) Rural development: Projects related to rural development

(xii) Slum Development: Slum area development in urban areas

Besides the above-mentioned areas, the Companies Act, 2013 also includes a few other important areas where the CSR money can be utilised.

4. CSR Expenditure/ Fund Allocation/ Budget

On CSR Activities specified under Schedule VII, the Board shall ensure that in each financial year, the Company spends at least 2% of the average net profit made during the immediate three preceding financial years.

There may arise the following situations:

a. Excess of CSR Expenditure:

If the CSR expenditure in a financial year exceeds the statutory limit, such excess may be set-off against CSR expenditure for the three succeeding financial years subject to shall not include spent due to surplus amount arising out of CSR activity or such other periodicity as may be notified, with the approval of the Board, on the recommendation of the CSR Committee.

b. Unspent CSR Amount:

Any amount remaining unspent at the end of the financial year, if any, except in case of an ongoing project, shall be transferred to a Fund established in Schedule VII for this purpose, within a period of six months from the end of the relevant financial year (or such other period as may be prescribed under the Act and the rules made thereunder). The reasons for not spending the amount shall be explained in Board's report.

c. Unspent CSR amount for the ongoing project:

Any amount remaining unspent at the end of the financial year, if any, transfer to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called unspent CSR account within 30 days from the end of FY. Further the

amount lying in unspent CSR account shall be utilised within 3 years 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.

d. Surplus arising out of the CSR activities:

The surplus arising out of the CSR activities, projects or programmes will not form part of the business profits of the 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 CSR 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.

What can qualify as Surplus?

- i. Interest income earned
- ii. Revenue earned
- iii. Disposal/ Sale of Material

5. Implementation of CSR Projects

The Board shall ensure that the CSR activities are undertaken by the company itself or through any other entity as given under the CSR rules. As per the rules, 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.

Every entity, 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

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.

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.

6. Monitoring

The Board/ CSR Committee as the case may be shall monitor from time to time the activities taken under CSR projects are aligned with the projects which are approved under CSR Policy

To monitor that the objectives of CSR Policy which are being met in an efficient and effective manner

The company may at its discretion with an aid of appropriate tool such as, through third party audit, periodical reviews or any other mechanism as the company may deem fit, monitor the CSR activities for the effective implementation.

7. Reporting

Annual report on CSR Activities shall be included in the Board's Report forming part of Company's Annual Report.

The composition of the CSR Committee, and CSR Policy and Projects approved by the Board shall be displayed on the website of the Company.

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.

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

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

8. CSR Committee

The Company shall formulate CSR Committee as and when applicable as specified in the table mentioned in clause 2.

As and when applicable, the formulation of CSR Committee will be governed as follows:

The companies mentioned in the rule 3 shall constitute CSR Committee as under-

- (i) a company covered under sub-section (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.

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 sub-rule (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.

9. Role of Board

Until the Applicability of CSR Committee based on the provisions, the Board shall ensure compliance of the applicable provisions.

Board shall approve the CSR policy recommended by CSR Committee

Boards report Disclosure

1. Composition of CSR committee
2. Contents of CSR Policy
3. reasons for the unspent amount, details of the transfer of unspent amount

Ensuring the activities are undertaken by the company as approved by the Board

Monitoring on expenditure as approved by any person as approved by the Board responsible for financial management shall certify to the effect.

10. Amendment

For modification of CSR Policy, the modification shall take place with the approval of the Board.