

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

ASTAL LABORATORIES LIMITED

1. PREAMBLE

This Corporate Social Responsibility (CSR) Policy ("Policy") of Astal Laboratories Limited ("Company") is framed in accordance with the provisions of Section 135 of the Companies Act, 2013 ("Act") read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time ("CSR Rules").

The Company is committed to conducting its business in a responsible and sustainable manner and contributing to inclusive growth and environmental stewardship. This Policy provides the framework for selection, implementation, monitoring and reporting of CSR initiatives.

2. OBJECTIVES

- Establish a robust governance structure for CSR
- Identify and undertake impactful CSR programs in line with Schedule VII of the Act
- Ensure statutory compliance and transparent disclosures
- Create measurable social and environmental impact

3. SCOPE AND APPLICABILITY

This Policy shall apply to all CSR projects/programs undertaken by the Company in India, as permitted under the Act and CSR Rules. The Board shall ensure that CSR activities are undertaken in accordance with this Policy.

4. DEFINITIONS

- "Act" means the Companies Act, 2013
- "CSR" means Corporate Social Responsibility as defined under the Act and CSR Rules
- "CSR Committee" means the Committee constituted by the Board under Section 135 of the Act
- "Ongoing Project" means a multi-year project undertaken by the Company having timelines not exceeding three years excluding the year of commencement, and includes such project initially not approved as a multi-year project but whose duration has been extended beyond one year by the Board
- "Net Profit" shall have the meaning assigned under Section 198 of the Act.

5. CSR GOVERNANCE STRUCTURE

5.1 Board of Directors

The Board shall:

- Approve the CSR Policy and amendments thereto

- Ensure that the Company spends, in every financial year, at least 2% of the average net profits of the three immediately preceding financial years on CSR activities
- Ensure proper disclosure in the Board's Report and on the Company's website, if any
- Monitor implementation through periodic review of reports submitted by the CSR Committee

5.2 CSR Committee

The CSR Committee shall comprise the following members:

S. No.	Name of Director	DIN	Designation in Committee
1	Mr. Sudheer Karna Kankanala	07591466	Chairperson
2	Mrs. Ravikanti Shailaja	07629653	Member
3	Mr. Birendrakumar Sahoo	06737993	Member

Roles and Responsibilities:

- Formulate and recommend the CSR Policy and any amendments.
- Recommend annual CSR Action Plan, including list of projects, modalities of execution, timelines and budgets.
- Recommend amount of expenditure on CSR activities.
- Monitor implementation and utilisation of funds.
- Review impact assessment reports, where applicable.

6. CSR FOCUS AREAS

The Company shall undertake CSR activities in areas specified under Schedule VII of the Act, including but not limited to:

- Eradicating hunger, poverty and malnutrition
- Promoting health care including preventive health care and sanitation
- Promoting education, including vocational skills
- Ensuring environmental sustainability and ecological balance
- Women empowerment and gender equality
- Rural development projects
- Contributions to specified funds and disaster relief

The Company may also undertake activities aligned with its business domain, particularly healthcare and community well-being.

7. CSR BUDGET AND SPENDING

- The Company shall spend at least 2% of the average net profits of the last three financial years on CSR activities
- CSR expenditure shall include all costs incurred for CSR projects, including administrative overheads within permissible limits
- Any amount remaining unspent shall be dealt with in accordance with Section 135(5) and 135(6) of the Act:
 - Transfer to Unspent CSR Account (for ongoing projects) within 30 days from the end of financial year
 - Utilisation within prescribed timelines, failing which transfer to specified funds

8. IMPLEMENTATION MECHANISM

CSR activities may be implemented through:

- Company directly
- Registered public trusts or societies
- Section 8 companies registered under the Act
- Any entity established by the Central/State Government

Such implementing agencies must be registered with the Ministry of Corporate Affairs (CSR Registration Number).

The Company may collaborate with other companies for undertaking CSR projects.

9. ANNUAL ACTION PLAN

The CSR Committee shall formulate and recommend an Annual Action Plan to the Board, which shall include:

- List of CSR projects/programs
- Manner of execution (direct/through implementing agency)
- Modalities of fund utilisation
- Implementation schedules
- Monitoring and reporting mechanism

The Board may alter such plan during the year as per requirements.

10. MONITORING AND EVALUATION

- The CSR Committee shall institute a transparent monitoring mechanism
- Periodic progress reports shall be placed before the Committee and the Board
- Site visits and third-party evaluations may be conducted, wherever required

11. IMPACT ASSESSMENT

Where applicable, the Company shall undertake impact assessment of CSR projects having outlays as prescribed under the CSR Rules through independent agencies.

12. SURPLUS ARISING FROM CSR ACTIVITIES

Any surplus arising out of CSR activities shall not form part of the business profits and shall be:

- Reinvested in CSR projects; or
- Transferred to the Unspent CSR Account; or
- Transferred to a fund specified in Schedule VII

13. ADMINISTRATIVE OVERHEADS

Administrative overheads shall not exceed the limits prescribed under the CSR Rules and shall exclude expenses directly incurred for the design and implementation of CSR projects.

14. DISCLOSURES

The Company shall:

- Disclose CSR Policy and composition of CSR Committee on its website, if any
- Include annual CSR report in the Board's Report in the prescribed format

15. AMENDMENTS

The Board may amend this Policy from time to time based on recommendations of the CSR Committee or to comply with statutory requirements.