

Archit Organosys Limited

CIN: L24110GJ1993PLC019941

Plot No. 25/9-A Phase-III GIDC Naroda Ahmedabad-382330, Gujarat, India

Corporate Social Responsibility Policy

1. Purpose

The Corporate Social Responsibility Policy ("CSR Policy") of ARCHIT ORGANOSYS LIMITED has been formulated and approved by the Board of Directors at its meeting held on 30/06/2022.

This policy aims to contribute towards sustainable development of the society and environment to make planet a better place for future generations. The philosophy of CSR is imbibed in our business activities and social initiatives taken in the local area (e.g. health, sanitation, drinking water and infrastructure etc.).

The CSR Policy is formulated in accordance with the provisions of section 135 of the Companies Act, 2013 and rules made thereunder and other applicable laws to the company.

1. Effective Date

This policy shall be effective from the 30th June, 2022.

2. Definitions

- (i) "Act" means the Companies Act, 2013.
- (ii) "Board of Directors" or "Board" means the collective body of the directors of the company.
- (iii) "Company" means "ARCHIT ORGANOSYS LIMITED"
- (iv) "CSR Committee" means Corporate Social Responsibility Committee constituted by the Board of Directors of the company.
- (v) "CSR Policy" means CSR Policy of ARCHIT ORGANOSYS LIMITED
- (vi) "CSR Rules" means the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.
- (vii) "Implementing Agency" means any entity registered with Ministry of

Corporate Affairs for undertaking CSR projects, which is engaged by the company to implement various projects in pursuance of CSR Policy.

Any Term used in this policy but not defined herein shall have the same meaning assigned to them under the Act and CSR Rules as applicable to the company.

3. Constitution of CSR Committee

The primary responsibility for carrying out the CSR activities will be on CSR Committee. The Corporate Social Responsibility Committee of the Board will be consisting of three or more Directors of the company.

Pursuant to provisions of Section 135 (9) of the Companies Act, 2013, 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.

Thus, in such scenario, the functions of the Committee as prescribed under this policy will be discharged by Board of Directors and any power and responsibility delegated to Committee by this policy and by virtue of law will be construed to given to the Board.

The Board of Directors of the Company reserves the right to constitute / re-constitute the CSR Committee from time to time in compliance with statutory requirements.

4. CSR Activities

Company shall undertake CSR activities for development of the society and the environment, with the preference to the areas where the facilities of the company are located.

A. The company shall undertake such activities which are broadly related to any of the following:

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation
- (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.
- (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, 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) Rural development projects
- (ix) Development of area declared as “slum area” by the Government or Competent Authority.
- (x) Disaster management, including relief, rehabilitation and reconstruction activities.

B. The company may also contribute to the following funds as part of CSR activities:

- (i) Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
- (ii) Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- (iii) 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 Government for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- (iv) 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;
- (v) 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 Defense 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).

The above areas as enshrined in Schedule VII to the Act and included in this policy aims to provide macro areas in which CSR projects should be undertaken by the company. The Board should consider details of CSR projects as elaborated in the annual action plan for each financial year.

Any CSR activity proposed to be undertaken as a CSR initiative, but not specifically covered in the aforesaid, may be undertaken only with the prior approval of the Board.

5. Focus Areas

While the company may undertake CSR activities in any areas listed above, the focus areas of CSR activities should be on the following aspects:

- (i) Health Camps
- (ii) Environment protection
- (iii) Rain Water Harvesting
- (iv) Rural Transformation
- (v) Safe Drinking Water
- (vi) Promoting education, including special education and employment enhancing vocation skills
- (vii) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans

6. Annual Action Plan

The Board shall formulate, an annual action plan which shall include the following:

- (a) the list of CSR projects or programs that are approved and to be undertaken by the company
- (b) the manner of execution of such projects or programmes
- (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.

7. CSR Spending

The company shall endeavor to achieve the objectives of CSR Policy and allocate every year:

- a. Minimum 2% of its average net profits made during the three immediately preceding financial years
- b. Any income or surplus arising out of the CSR activities, projects or programs shall not form part of the business profit of the company and the same shall be ploughed back for use in CSR activities

All the expenditure relating to CSR shall be pre-approved by the Board. The CFO shall monitor the utilization of funds for the purposes set forth and certify to this effect.

Unspent CSR amount, if any, shall be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year and the Board shall specify the reasons for not spending/unspent the amount in Board's Report.

8. Mode of implementation

Direct spending:

The Company may on its own spent the amount under CSR Projects /activities presently within the scope and ambit as defined in Schedule VII of the Companies Act, 2013 as amended from time to time or in collaboration with other companies / trusts / NGOs undertaking projects/ programs in CSR activities.

Through Implementing Agencies / Indirect Spending:

The Company may spent the amount under CSR projects / activities through any implementing Agency, having a unique CSR Registration Number, subject to the condition that the implementing agency shall be:

1. Company established under section 8 of Indian Companies Act 2013, or Trust, or Society registered under section 12-A and 80-G of the Income Tax Act 1961, being established by the Company, either singly or along with any other company;
2. It should get itself registered with MCA by filing requisite form;
3. The activities pursued by the implementing Agency are covered within the activities covered under Schedule VII of the Companies Act, 2013 as amended from time to time;

The time period/duration of each project/programs shall depend on its nature, extend of coverage and intended impact of such activity.

Board may form CSR execution team / small group of employees for carrying out CSR related activities under its supervision as and when the need arises.

The Board will spend funds on the CSR activities or programme or projects as may be approved by the CSR Committee and/ by the Board of Directors and/or donate funds to the welfare trusts or NGOs operational in the CSR activities as specified by the Companies Act, 2013 and rules made there under.

9. Capital Assets

Capital asset acquired or created by CSR projects should be held by the beneficiaries of the said CSR project or a trust or a public authority for the benefits of all. The company should take appropriate measure to ensure that such assets are utilized for the purpose it was meant for and should not be transferred or disposed off without prior permission of the company.

10. Unspent amount relating to ongoing Project:

In case there is an unspent amount relating to ongoing project then such unspent amount is required to be transferred within a period of thirty days from the end of relevant financial year to a special account to be opened by the Company with Scheduled commercial bank to be called "Unspent CSR Account"(UNCSRA).

The shortfall if any in spending towards CSR as per the statutory limit mentioned under relevant provisions of the Companies Act, 2013 shall be treated as per the Act and Rules as may be amended from time to time.

11. Information dissemination

CSR Policy and activities undertaken shall be disseminated on website for public access and shall be published in the Annual Report of the company in the format prescribed under the Act and CSR Rules.

12. Review

The Board shall be fully responsible for the monitoring and review of the implementation of this policy in accordance with applicable laws from time to time. The Board has powers to amend/ modify/ revise the CSR Policy.

Note: In addition, the CSR Policy of the company may give guidance on Voluntary CSR Initiatives, Voluntary CSR Audit, CSR Governance Principles and reporting about deviations, if any. Further, CSR Policy may also provide for guidance on disclosure of awards and recognitions received.

