

# VALENS MOLECULES PRIVATE LIMITED

## CORPORATE SOCIAL RESPONSIBILITY POLICY

### 1. Preamble

VALENS MOLECULES PRIVATE LIMITED (“Company” or “VALENS ”) strives to be a socially responsible company and strongly believes in the development of society at large. Corporate Social Responsibility (“CSR”) at “Valens ” portrays the deep symbiotic relationship that the Company enjoys with the communities it is engaged with. As a responsible corporate citizen, we try to contribute for social and economic development on regular basis. We believe that to succeed, an organization must maintain highest standards of corporate behaviour towards its employees, consumers and societies in which it operates.

### 2. Objective

The objective of this Policy is to set guidelines for carrying out CSR activities by the Company. Identify broad areas in which the company will undertake projects and also to set up process for execution, implementation and monitoring of the CSR activities to be undertaken by the Company.

### 3. CSR Programmes and Projects

The Company proposes to adopt one or more of the CSR activities that are in line with Section 135 read with Schedule VII of the Companies Act, 2013 as amended from time to time.

### 4. CSR Committee

a) The Company has not constituted the CSR Committee as of now, as the Company is not required to constitute the CSR committee “ Where the amount to be spent by a Company does not exceed fifty lakh rupees” as laid down in sub-section (9) of Section 135.

b) The Functions of the CSR Committeeshall be discharged by the Board of Directors of the Company.

### 5. Role and Responsibilities of the Board of Directors of the Company:

The Board will be responsible for :

- a) formulating the CSR policy in compliance to Section 135 of the Companies Act 2013
- b) identifying activities to be undertaken as per Schedule VII of the Companies Act 2013
- c) Arriving at the CSR expenditure to be incurred.
- d) modifications to the CSR policy as and when required
- e) regularly monitoring the implementation of the CSR policy

## 6. Implementation of CSR Activities

The Company shall undertake its CSR activities in the areas as identified under Schedule VII of the Companies Act, 2013 (including all such amendments as may be in force from time to time). The Company may undertake its CSR activities, either itself or through any other Company or association or Registered Trust or Registered Society as prescribed under the provisions of Companies Act, 2013 read with Rules made thereto.

## 7. Annual CSR Plan

The Board shall formulate 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;
- (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;

The Board may alter Annual Action plan at any time during the financial year, based on the reasonable justification to that effect.

The surplus arising out of the CSR activities, projects or programs shall not form part of the business profit of the Company.

The company shall continue to focus on group projects, new & ongoing projects and give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities.

## 8. Ongoing Projects

“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.

The Board may identify the “Ongoing Project/s” and may designate some of the existing CSR projects as an Ongoing Project and such Ongoing Projects shall be selected, implemented, monitored and reported in accordance with the applicable CSR Provisions.

## 9. Disqualifying Activities for CSR

- a) The Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time, (“the CSR Rules”) disqualifies the CSR projects and programs that are implemented by the Company for benefit of the employees of the Company and their families as defined in clause (k) of section 2 of the Code on Wages, 2019;
- b) 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;
- c) Any amount directly or indirectly contributed towards any political party under Section 182 of the Act shall not be considered as CSR Spend.
- d) Activities that are undertaken by the Company in pursuance of its normal course of business will not be considered as CSR activities.
- e) Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- f) Activities carried out for fulfillment of any other statutory obligations under any law in force in India.

## 10. CSR Budget

The Company shall spend, in every financial year, at least 2% of the average net profits of the Company made during the 3 (Three) immediately preceding financial years, in pursuance of this Corporate Social Responsibility Policy. The CSR expenditure shall include all expenditure including contribution to corpus of implementing agency or on projects or programs relating to CSR activities approved by the Board of Directors but does not include any expenditure on an item not in conformity or not in line with activities stated under Schedule VII of the Act.

In case the company spends an amount in excess of the 2%, then the company may set off such excess amount up to the immediate succeeding 3 (Three) financial year subject to following conditions:

- i. the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any;
- ii. the Board of the Company shall pass a resolution to that effect.

## 11. CSR Reporting

The Board's Report of the Company shall include an annual report on CSR containing particulars as specified under Section 135 of the Act read with the CSR Rules.

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 person responsible for financial management shall certify to the effect.

## 12. Treatment Of Unspent Amount

If the Company fails to spend the required amount in a particular financial year, the treatment of unspent CSR amount shall be as under:

### (a) In case unspent amount not relating to ongoing Project:

- The Board of Directors in their Annual Report pertaining to that particular Financial Year shall specify the reasons for not spending the amount; and
- The Company shall transfer such unspent amount to a Fund specified in Schedule VII, within a period of 6 (Six) months of the expiry of the said financial year.

### (b) In case unspent amount relating to any ongoing Project:

- The Company shall open a special account in any scheduled bank to be called “Unspent Corporate Social Responsibility Account” and transfer such unspent amount, within a period of 30 (Thirty) days, from the end of that financial year to above mentioned 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 3 (Three) financial years from the date of such transfer.
- If on the completion of third year also the amount remains unspent, 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.

## 13. Amendments

The provisions of the Act and the CSR Rules (as amended from time to time) and any Notification/ Circular/ clarifications issued by Authorities, shall automatically apply and be part of this CSR Policy.