

Ashapura Aromas Private Limited (AAPL)

Corporate Social Responsibility Policy.!

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**Corporate Social Responsibility (CSR) Policy of
Ashapura Aromas Private Limited**

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1.0 PROLOGUE:

Corporate Social Responsibility (CSR) as an activity is initiated with the aim to embrace responsibility for the company's actions and encourage a positive impact through its activities on the environment, consumers, communities, stakeholders and all other members of the public sphere who may also be considered as stakeholders. CSR policy functions as a guiding principle whereby CSR objectives and goals are well defined with specific mention of verticals where planned activities can be carried out in a project mode. The implementation plans are worked out with processes for built-in for monitoring and evaluation of the activities to ensure active compliance and governance with the spirit of the law, ethical standards, and prescribed norms. AAPL's CSR projects/programs/activities are executed in a manner wherein the target beneficiaries are not based on any caste, creed, religion, region, language or any other criteria which negates basic tenets of humanity. AAPL also strives to involve / engage its employees/ employees of group companies in order to nurture a culture of "paying back to society" which leaves them with a sense of fulfilment of their social commitments.

The Companies Act, 2013 has introduced the idea of CSR recently but your Company is voluntarily following it since last many years. Our Company believes the policy which is more and more beneficial to the society at large by promoting and encouraging economic, social and educational development and also giving active support to local initiatives around its area of operation thereby promoting upliftment of people in varied arenas of life.

2.0 PHILOSOPHY OF AAPL

AAPL believes that the CSR projects/programs/initiatives should have a positive yet sustainable impact on the communities and hence, undertakes the need based as well as impact driven projects/programs. Through CSR projects/programs, AAPL shall endeavor to enable socio-economic empowerment of the beneficiaries and communities at large. The company believes in providing efficient and cost-effective services to the users of the system and it endeavors to make a positive impact not only on the lives of the marginalized and disadvantaged section of the society but also on the lives of its stakeholder to the extent feasible. It aims to work towards contributing in building an equitable and inclusive society where all the stakeholders are provided an opportunity for economic and social growth and development.

3.0 CSR GUIDING PRINCIPLES

The CSR initiatives will be undertaken by taking into consideration the critical national, state level and community level gaps/needs in line with the Company's core CSR focus areas/themes. Here, the community is taken as the actual geographical area where the need based projects/programs shall be implemented.

Primarily, the Company shall prefer the areas in and around its business operations to execute the projects/programs to ensure effective and smooth implementation as well as monitoring of projects/programs.

The CSR projects/programs will be directed towards the underprivileged and marginalized sections of the community and thereby enabling socio-economic development. The activities will be undertaken in a project mode with processes in place for regular periodic monitoring, measuring the deliverables and ensuring long term impact and sustainability of the initiatives.

4.0 RECOGNIZED ACTIVITIES FOR THE PURPOSE OF CSR

The theme of the CSR activities are in pursuance of the activities listed in Schedule VII of Section 135 of Companies Act, 2013 and any amendment introduced in due course. The Company shall undertake its CSR programs/projects/activities/initiatives as per the list of items enumerated in Schedule VII as below:

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently-abled and livelihood enhancement projects;
3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, 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;
5. 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 handicrafts;
6. 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;
7. Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
8. Contribution to the Prime Minister's National Relief Fund or 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 Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
9. 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;
10. 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).
11. rural development projects;

12. 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.

13. disaster management, including relief, rehabilitation and reconstruction activities.

The activities specified are aligned with the Schedule VII of the Companies Act, 2013 and CSR Rules, Notifications, Circulars issued thereunder.

5.0 CSR BUDGET

1. AAPL's total budget for the CSR projects/programs will be recommended to the Board by the CSR Committee and the same shall be in accordance with applicable provisions of the Companies Act, 2013 and CSR Rules and any amendment introduced by MCA in due course.
2. In line with the Companies Act read with the CSR Rules, AAPL will utilise 2% of the average net profit of immediately preceding 3 (three) years on CSR activities within the ambit of Section 135 read with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 and Schedule VII of the Companies Act, 2013.
3. The surplus arising out of the CSR projects or programs, or activities shall not form part of the business profit of the Company.

6.0 UNSPENT CSR FUND

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 section 135 (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.

Any amount remaining unspent under section 135 (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.

7.0 CONSTITUTION AND ROLE OF CSR COMMITTEE

The Corporate Social Responsibility Committee shall be constituted in accordance with Section 135 of Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 as amended from time to time.

The role of the CSR Committee is to:

- a. Formulate and recommend to the Board, a Corporate Social Responsibility Policy Page 7 of 10 which shall indicate the verticals of activities to be undertaken by the company as specified in Schedule VII of the Companies Act 2013 (the Act);
- b. Recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the list of CSR projects or programs that are approved to be undertaken, the manner of execution of such projects or programs, the modalities of utilization of funds and implementation schedules for the projects or programs, monitoring and reporting mechanism for the projects or programs and details of need and impact assessment (if any) for the projects undertaken by the Company;
- c. Recommend the amount of expenditure to be incurred on the activities;
- d. Monitor the progress of the CSR activities of the company from time to time;
- e. Recommend to the Board, an alteration in annual action plan of projects or programs, if any, in pursuance of the CSR policy.
- f. Institute a transparent monitoring mechanism for implementation of the CSR activities and monitor the CSR policy from time to time; and such other functions as the Board may deem fit.

- g. Any other matter as may be considered expedient in furtherance of and to comply with Corporate Social Responsibility Policy.

To comply with requirements of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (“CSR Rules”), AAPL has constituted a robust and transparent governance structure to oversee the implementation of its CSR Policy:

- a. The CSR Committee will report to the Board of AAPL and the same would have 2 or more directors out of which majority director shall be Azelis Director (Buyer Nominee Director).
- b. The Chairperson of AAPL shall be the Chairperson of the CSR Committee. In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one Azelis Director (Buyer Nominee Director) amongst them to act as Chairperson.
- c. The Company Secretary of AAPL shall act as Secretary of the Committee.
- d. Quorum for the Committee meetings shall be 2 Directors including Azelis Director (Buyer Nominee Director).
- e. Proceedings of all meetings shall be minuted and signed by the Chairperson of the CSR Committee and tabled at the subsequent Board and Committee meeting.
- f. The CSR Committee has all the powers to terminate/discontinue or disengage association/support financial or otherwise with any project/program/initiative if it has come to light that the support is being misused or the funds are being diverted/or the project execution is opaque.

8.0 IMPLEMENTATION AND PROJECT PLANNING

- a. The implementation of the CSR activities will be done either by the Company itself or through implementing agencies, whichever is feasible. The CSR programs/projects shall be managed and administered by CSR/Legal Working Committee.
- b. In case the program implementation is facilitated through implementing agencies, the Company will ensure the necessary compliances as laid down by MCA. While implementing projects/programs through implementing agencies, the projects will be implemented in partnership with implementing partners. The CSR projects shall be implemented either directly by AAPL or through-

- a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
- 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
- any entity established under an Act of Parliament or a State legislature; or
- a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
- AAPL shall also collaborate with other entities/corporates to implement its CSR projects/programs in a manner where the reporting of such CSR projects/programs shall be done independently.
- Endeavour shall be made giving employee's voluntary participation in the CSR activities.
- AAPL shall ensure that the CSR projects/programs are undertaken as per the guidelines issued by MCA and shall adhere to any changes/modifications/amendments w.r.t. CSR project execution, issued by MCA in due course.
- The CSR Committee and/or CSR/Legal Working Committee shall be responsible for the implementation and monitoring of the activities and utilization of funds allotted.
- AAPL may also contribute to the Prime Minister's Relief Fund, or any other Central/State Government scheme/fund as may be permissible based on the need and criticality subject to the recommendation and approval of the CSR Committee and the Board.

9.0 MONITORING

The CSR Committee will be responsible for monitoring CSR activities and report to the Board from time to time. The CSR Committee shall be supported by the internal CSR/Legal Working Committee in monitoring and reporting of the projects/programs. The roles and responsibilities of the CSR Working Committee shall be -

- a. Enabling maximum employee engagement in CSR initiatives on voluntary basis;
- b. Participation in project monitoring and reporting activities as per the guidelines given by the CSR department;

- c. Evaluation of Planned progress v/s Actual Progress;
- d. CSR/Legal Working Committee shall comprise of 5 or more members with a scope to increase/decrease the number of members in due course;
- e. CSR/Legal Working Committee may also recommend the projects/programs/activities in line with the Company's CSR focus areas and themes.

Monitoring of the project will be done through site visits by the Company CSR representative, quarterly progress reports along with Financial Utilization certificate provided by the program implementing partners. Annual review of project will be conducted following which project renewal will be sanctioned, if any.

10.0 REPORTING

The Company will report the CSR spent and project status in the format specified in the Companies Act 2013 and CSR Amendment Rules, 2021 and shall make necessary disclosure in the Annual Reports. The CSR Policy shall be disclosed on the Company's official website and shall be available for view any point of time.

11.0 CONTACT INFORMATION

All inquiries on CSR activities shall be made to below mentioned correspondence.

Name of Company: Ashapura Aromas Private Limited

Registered office : Unit 23, Champaklal Industrial Estate, Sion East, Mumbai 400022

Corporate office : 501 to 503, 5th Floor, Bhoomi Velocity Infotech Park, Plot No 39, Road No. 23, Wagle Industrial Estate, Near Wagle Circle, Thane (West) 400604, MH.

CIN : U24244MH2003PTC139985

Email ID: contact@ashapuraaromas.com

Telephone Number : +91 22 69055100

12.0 REVIEW OF POLICY

The policy will be reviewed once every three years and updated accordingly with the changes if any. In case of any amendment/clarification/circular/notification, etc., issued by the relevant authority, not being consistent with the provisions laid down in this policy, then such amendment/clarification/circular, etc., shall prevail upon the provisions mentioned herein and this policy shall stand amended accordingly from the effective date as laid down under such amendment/clarification/circular/ notification, etc.