

CORPORATE SOCIAL RESPONSIBILITY POLICY



| Version | Approved by | Approved On | Effective From |
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| Version 1.0 | Board of Directors | May 13, 2021 | May 13, 2021 |
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CORPORATE SOCIAL RESPONSIBILITY POLICY

1. INTRODUCTION

Over the years of our journey, as a Company, we have come to believe that the well-being of society is a cumulative reflection of the well-being of its individual members. For this to be achieved, we believe that every member of society should have access to effective healthcare, and we aspire to play a significant role in this transformation.

Corporate Social Responsibility (“CSR”) has been a long-standing commitment at Krsnaa Diagnostics Limited (“Company”) and forms an integral part of our activities. Being a responsible corporate citizen, Company is committed to perform its role towards the society at large. In alignment with its vision, the Company always works towards adding value to Society by going beyond business goals and contributing to the wellbeing of the community. Its contribution to social sector development includes several pioneering interventions and is implemented through the involvement of stakeholders within the Company, the Group and the broader community.

2. OBJECTIVE

The Policy shall be read in line with Section 135 of the Companies Act, 2013 (“ACT”), Companies (Corporate Social Responsibility Policy) Rules, 2014 (“CSR Rules”) and such other regulations, circulars, and notifications (collectively referred hereinafter as ‘Regulations’) as may be applicable and as amended from time to time and will, inter alia, provide the following:

- I. Defining a framework to ensure compliance with the Regulations by allocating a percentage of the Company's profits to social initiatives.
- II. Ensuring the effective implementation of CSR initiatives in both intent and practice through proper procedures and reporting.
- III. Providing employees with opportunities to engage in socially responsible initiatives.

3. DEFINITIONS

Unless the context otherwise requires, the following terms/abbreviations used herein shall have the meaning respectively assigned to them as follows:

“Act” shall mean the Companies Act, 2013, as amended from time to time;

“Board” shall mean the Board of Directors of Krsnaa Diagnostics Limited;

“Committee” or “CSR Committee” shall mean a Committee of the Board set up in accordance with, and to carry out such functions as prescribed under the Act/Rules in connection with CSR;

“Company” shall mean Krsnaa Diagnostics Limited;

“CSR” shall mean Corporate Social Responsibility as understood under the Companies Act, 2013, and Rules made thereunder as amended from time to time.

“CSR Policy” or “Policy” shall mean this Corporate Social Responsibility Policy.

Words and expressions used and not defined in this Policy shall have the meaning as described in the SEBI Listing Regulations, the Securities and Exchange Board of India Act, 1992, as amended, the Securities Contracts (Regulation) Act, 1956, as amended, the Depositories Act, 1996, as amended, or the Companies Act, 2013 and rules and regulations made thereunder.

4. CSR OBJECTIVES

In line with our philosophy, the Company aims to orient its CSR activities towards the following:

- I. Promoting healthcare, including preventive healthcare to the most remote corners of the Country to make quality healthcare accessible and affordable for all.
- II. To work towards the improvement in the health of fellow citizens, especially citizens belonging to socially and economically marginalized groups.
- III. Promoting education, including special education and employment enhancing vocational skills, among children, women, elderly and the differently abled and livelihood enhancement projects.
- IV. Eradicating hunger, poverty, malnutrition and sanitation (including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation) and making safe drinking water available to all.
- V. Promoting gender equality, empowering women and setting up homes and hostels for women and orphans along with; s old age homes, day care centres and other facilities for senior citizens and undertake to reduce the discrimination faced by socially and economically backward groups.
- VI. Training to promote rural sports, nationally recognised sports, Paralympic Sports and Olympic Sports.
- VII. Contributions or funds provided to technology incubators located within academic institutions approved by the Central Government and contributions towards other similar initiatives for development of medical research, as approved by the Government for the purpose of CSR.
- VIII. Contribution to the Prime minister’s National Relief Fund or any other fund set up by the central govt. for socio economic development and relief towards welfare of the schedule caste, schedule tribes, other backward classes and, minorities including women.

- IX. Slum area development (slum area as declared by the appropriate Government from time to time) and
- X. Disaster management, including relief, rehabilitation and reconstruction activities.
- XI. Enhancing healthcare and other facilities of public or private health institutions serving those in need through the provision of equipment, materials, and other resources.

5. CSR ACTIVITIES

The CSR activities to be undertaken by the Company shall be described in detail, under the plan formulated annually by our CSR Committee. The composition of our CSR Committee has been included within this Policy.

The Company shall undertake CSR activities either on our own or by partnering with other organisations having similar objectives, ensuring that our participation in CSR project undertaken by us or by any other organisation is in line without CSR objectives as set out under this Policy.

Our CSR activities may include monetary donations to trusts or funds set up for the activities within the ambit of Schedule VII of the Act, along with fulfilling requests from governmental authorities and participating in public health projects as included within the CSR plan approved by our CSR Committee.

The Company shall give preference to the local area and areas where it operates to spend the amount earmarked for Corporate Social Responsibility's activities. However, depending on the activities/projects available, the Board or the Committee may carry out activities/projects elsewhere depending on the availability of alternative projects/activities, nature of such activities/projects and their impact.

6. CSR COMMITTEE

The CSR committee shall consist of the number of members specified by the provisions of the Act, along with the Companies CSR Rules, including any current statutory modifications or re-enactments. The committee shall operate in coordination with and as per the directions of the Board of Directors.

7. ROLES AND RESPONSIBILITIES OF CSR COMMITTEE

- I. Formulate, review and recommend the CSR Policy to the Board for its approval, and indicate the projects to be undertaken by the Company as specified under Schedule VII of the Act;
- II. Provide directions to enhance the CSR policy and monitor execution and adherence to the same;
- III. Formulation of the CSR Budget and providing recommendations on the amount of expenditure to be incurred on CSR Projects, for the approval of the Board;

- IV. Ensure that any surplus arising out of CSR does not form part of business profit and is utilized solely for CSR purpose;
- V. Assess and recommend to the Board the Annual CSR Report, required to be prepared as per the Companies Act, 2013 and rules made thereunder, and disclosed the same within the Board's Report and;
- VI. To undertake any other activity as the board decides.

8. CSR FUNDS

The Company shall allocate the budget for CSR activities. The budgeted amount for a financial year shall be at least 2% of the average net profit of three immediately preceding financial years. The Company may at its discretion allocate higher funds/amount than the amount prescribed under section 135 of the Companies Act, 2013, for the CSR activities for any financial year.

CSR expenditure shall include all expenditure including contribution to projects or programs relating to CSR activities approved by the Board in accordance with this Policy.

If the Company fails to spend such a minimum amount in any financial year, the Board shall, in its report under Section 134 of the Act for that year, specify the reasons for not spending the amount. The Board may also consider carrying forward such deficit in such expenditure to the succeeding year(s) to spend such amount along with the minimum amount of the respective succeeding years.

9. OPERATING FRAMEWORK

- I. CSR activities will be undertaken in areas identified by the CSR Committee. An annual CSR plan shall be prepared by the CSR Committee.
- II. The above plan will be sent to the Board for its approval.
- III. Activities undertaken by Company may be implemented directly by the Company as well as by not-for-profit entities. Such entities and projects shall be supported after ascertaining the credibility of the agency and its track record in implementing projects.
- IV. The authority to incur expenditures under the above plan shall be as per the approved delegation of financial powers in the Company.
- V. Funds would be disbursed either in tranches or as one-time payment. The terms, conditions and timing of disbursement would be conditional upon the nature and requirement of the CSR project or programme.

10. MONITORING PROCESS

- I. The goals and objectives along with the annual budget of CSR shall be normally discussed and signed off at the beginning of every financial year by the CSR committee and the Board of Directors subsequently. The period of such approval can be changed from time to time on the approval of CSR Committee and Board.
- II. The CSR Committee shall formulate and recommend to the Board of Directors, an annual action plan in pursuance of its CSR policy which would include utilization of funds, monitoring and reporting mechanism for the projects or programs and details of need for impact assessment, if any, for the projects undertaken by the Company.
- III. The Board of Directors may alter the plan, any time during the financial year, as per the recommendation of the CSR Committee.
- IV. Along with approval of the annual plan, the CSR committee will review the progress of all key programs vis-à-vis its broad objectives for the previous year including effective utilization of the funds and a formal assessment of outcomes and impacts as considered relevant by the Board and the CSR Committee.
- V. All decisions on outcome/impact evaluation are required to be presented to the Board once a year.

11. CSR EXPENDITURE AND SURPLUS

All expenditure incurred by the company on its CSR activities will be classified as CSR expenditure to the extent permissible under applicable law. In case any amount from the allocated CSR budget is unspent, the CSR Committee shall disclose the reasons for the same to the Board which will be included in the Board report.

The Board may decide the allocation of CSR expenditure within the framework of this policy. The surplus, if any, arising out of CSR activities/projects so undertaken shall not form part of the business profit of the Company and instead shall be spent for CSR activities/projects and accordingly netted off against CSR expenditure to be incurred.

If the Company does not utilize the amount allocated for CSR activities in a financial year and requires certain amount for conducting ongoing CSR projects as per the formulated CSR Plan the company shall retain the unspent amount from the CSR budget only to the necessary extent for ongoing projects. Unspent amount will be set aside by the Company in an **“Unspent Corporate Social Responsibility Account”** within 30 days from the end of the financial year and shall be utilised within the succeeding 3 financial years.

Furthermore if the amount in the Unspent CSR account is not utilised for CSR activities/Projects within succeeding 3 financial years, then this amount shall be transferred to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief towards welfare of the scheduled castes / scheduled tribes, other backward classes, minorities and women within 30 days after the third succeeding financial year.

Any unspent amount from the allocated CSR budget in a financial year that is not required for ongoing projects shall also be transferred to such funds as specified above, within 6 months of the end of the said financial year.

12. AMENDMENTS

The Company is dedicated to regularly assess and update its policies and procedures. Consequently, this policy may be amended from time to time subject to Board approval and in compliance with applicable laws and regulations. This policy and any further modifications/ amendments to the same shall be promptly disclosed on the Company's website and filed in accordance with the applicable laws and regulations.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc., shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the Effective Date as laid down under such amendment(s), clarification(s), circular(s) etc.

