



## **POLICY FOR CORPORATE SOCIAL RESPONSIBILITY (CSR)**

### **I. SHORT TITLE:**

This policy in relation to the Corporate Social Responsibility ("CSR") of **Pharmalab India Pvt Ltd** is titled as the "CSR Policy" and shall include any alterations, amendments or modifications hereto from time to time.

### **II. VISION STATEMENT, OBJECTIVE AND APPLICABILITY**

1. The CSR Policy sets out our commitment to ensuring that our activities extend beyond business and include initiatives and endeavors for the benefit and development of the community and society. The CSR Policy lays down the guidelines for undertaking programs geared towards social welfare activities or initiatives.

2. This CSR Policy has been framed in accordance with the applicable provisions of the Companies Act, 2013 ("Act") and the rules issued thereunder.

3. Notwithstanding anything to the contrary contained in this CSR Policy but subject to applicable law, in the event that the Company fails to meet the thresholds set out under Section 135(1) of the Act for three consecutive financial years, it shall not be required to:

(i) Constitute/maintain the CSR Committee; and

(ii) Comply with the provisions of this CSR Policy till such time as it again meets the criteria specified in Section 135(1) of the Act

### **III. DEFINITION AND INTERPRETATION**

1. "**Board**" means the Board of Directors of the Company.

2. "**Company**" means Pharmalab India Private Limited.

3. "**CSR Activities**" means such programs and projects as may be approved by the Board in terms of this CSR Policy.

4. "**CSR Committee**" means a committee constituted by the Board of Directors in terms of Section 135 of the Act and the CSR Rules.

5. "**CSR Rules**" means the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.



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6. **"CSR Expenditure"** means the amount recommended by the CSR Committee to be incurred on the CSR Activities in India in terms of the Act and the CSR Rules as approved by the Board from time to time.

7. **"Director"** means a member of the Board of the Company.

8. **"Implementing Agency"** means an implementing agency as defined under paragraph IV(3).

9. **"Net Profits"** means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include (i) any profit arising from any overseas branch or branches of the Company (whether operated as a separate company or otherwise); and (ii) any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act.

Any term not defined above, shall have the meaning assigned to it under the Act or the CSR Rules.

#### **IV. IMPLEMENTATION OF THE CSR POLICY**

1. The Board shall be responsible for implementing the mandate of the CSR Policy and shall ensure that the CSR Activities are carried out in accordance with the CSR Policy read with the Act and CSR Rules and the annual action plan formulated and recommended by the Board.

2. Mode of Implementation: The CSR Activities may be undertaken by the Company directly or with the prior approval of the Board, through any of the following entities as "Implementation Agency" being duly registered with the Central Government and having a unique CSR Registration Number (with effect from 1 April 2021):

(i) 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;

(ii) Company established under section 8 of Indian Companies Act 2013, or Trust, or Society, being established by (Indian) Central Government or (Indian) State Government;

(iii) Company established under section 8 of Indian Companies Act 2013, or Trust, or Society registered under section 12-A and 80-G of the (Indian) Income Tax Act 1961, and having an established track record of at least three years in undertaking similar CSR activities; or

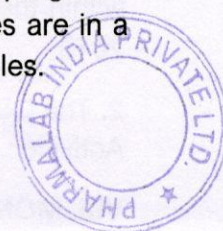
(iv) Any entity established under an act of (Indian) Parliament or a (Indian) State Legislature.

The Company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programs in accordance with these rules.

#### **V. CSR COMMITTEE:**

Since our Company is not statutorily required to constitute CSR committee in view of CSR obligation being less than 50 lakhs, the Board shall discharge the functions of CSR Committee. The Company shall constitute CSR Committee as and when it becomes applicable to it.

The Board shall be responsible for providing recommendations with respect to CSR Activities that may be undertaken by the Company in accordance with the CSR Policy as well as the Act and



the CSR Rules. It shall also recommend amount of expenditure; formulate annual action plan in pursuance of the CSR policy

The Board will review the policy from time to time based on the changing needs and statutory requirements and make suitable modifications as may be necessary.

#### **VI. CSR EXPENDITURE:**

1. The Company shall spend at least 2% (two percent) of average Net Profits of the Company made during the three immediately preceding financial years in accordance with the Act and the Rules and the CSR Policy.

2. The Board shall recommend the manner in which the CSR Expenditure shall be incurred in a year, in accordance with the Act and the Rules and the CSR Policy.

3. The Board shall be responsible for sanctioning the CSR Expenditure and responsible for taking steps to ensure that the amount for the CSR Expenditure is available for application towards the CSR Activities.

4. In order to count towards CSR Expenditure, CSR Activities must be undertaken in compliance with the applicable laws and shall not include the following:

(i) activities undertaken in pursuance of normal course of business of the company 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;

(ii) contribution of any amount directly or indirectly to any political party under Section 182 of the Act; (iii) activities benefitting employees of the company as defined in clause (k) of Section 2 of the Code on Wages, 2019 (29 of 2019);

(iv) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services; and

(v) activities carried out for fulfilment of any other statutory obligations under any law in force in India.

5. The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.

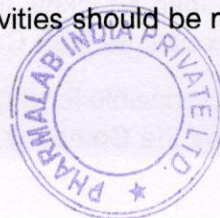
#### **VII. CSR ACTIVITIES**

1. The Board shall ensure that the CSR Activities that are identified by the Company should be within the scope of the activities enumerated under Schedule VII of the of the Companies Act, 2013.

2. The CSR Activities will be carried out in a manner that the preference is to undertake the CSR Activities in and around the local areas where the Company operates.

#### **VIII. MONITORING PROCESS:**

1. To ensure that the objectives of CSR Policy are being met in an efficient and effective manner, the utilisation of the amount sanctioned towards CSR Activities should be reported to the Board in such manner as deem fit.



2. In the event any of the CSR Activities are undertaken through an Implementing Agency, the relevant information from the Implementing Agency to be obtained and ensure that the progress on such CSR Activity is submitted to in such manner as deem fit

#### **IX. AMENDMENT**

The Board of the Company may, subject to compliance with applicable law, at any time alter, amend or modify the CSR Policy as it deems fit to comply with the statutory obligation of the Company to undertake the CSR Activities.

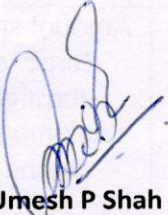
#### **Annexure "A"**

For the year 2020-21, the Board of Directors have identified and approved following projects:

(1) Sl. No.	(2) CSR project or activity Identified	(3) Sector in which the Project is covered	(4) Project or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	(5) Amount outlay (budget) project or programs wise  (Amount in Rs.)	(6) Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads (Amount in Rs.)	(7) Cumulative expenditure upto the reporting period (as on 31.03.2020)	(8) Amount spent: Direct or through implementing agency
1	Eradicating hunger, poverty and sanitation programmes:  Akshaya Patra Foundation		Ahmedabad	1,00,000/-	1,00,000/-	1,00,000/-	Through implementation agency
2	Environmental sustainability and Ecological balance :  Jeevan Tirth		Santej	1,85,000/-	1,85,000/-	1,85,000/-	Through implementation agency



3	Promoting Healthcare: Rotary Club Ahmedabad Metro		Ahmedabad	9,50,000	9,50,000	9,50,000	Through implementation agency
4	Construction & Refurbishment of the Community Welfare Centre :  Society for Human & Environmental Development		Mumbai	3,00,000	3,00,000	3,00,000	Through implementation agency
			Total	15,35,000	15,35,000	15,35,000	



**Umesh P Shah**  
Director

