



CORPORATE SOCIAL RESPONSIBILITY **(CSR) POLICY**

Approved by:	Board of Director
Effective date:	12th July 2014
1st revision on:	21st May 2021
2nd revision on:	9th August 2023



1. OBJECTIVES:

Unichem has engaged in Corporate Social Responsibility (CSR) activities for decades and much before the same became a mandatory responsibility of Corporates. Our philosophy of giving back has always been a priority. Unichem being a pharmaceutical Company is naturally inclined to improve the health of the general public at large and is well known for its Quality and Reliability over the years. Unichem focuses on varied CSR activities in line with the provisions of Schedule VII of the Companies Act, 2013 (The Act).

2. APPLICABILITY:

The Policy is applicable across Unichem Laboratories Limited.

3. CSR ACTIVITIES:

As a Policy, the Company will focus its activities that are included in Schedule VII of the Act but have primarily identified the following areas:

- Promoting health care including preventive health care and sanitation;
- Promoting education with a primary focus on underprivileged children in backward areas and girls who cannot afford to enroll in schools and colleges;
- Making available safe drinking water;
- Promoting projects under Swachh Bharat Abhiyan;
- Women's Empowerment;
- Infrastructure Projects mainly being construction and repairs of schools and hospitals and
- Environmental sustainability

The CSR activities shall be primarily conducted in and around the areas where the Company operates. It will however not include the activities which are not allowed under the Companies (Corporate Social Responsibility Policy), Rules, 2014, and Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021. (Collectively referred to as the "Rules.")

4. TERMS OF REFERENCE OF THE COMMITTEE:

- a. The CSR Committee shall formulate a CSR policy and recommend the same for the approval of the Board which shall indicate the CSR activities to be undertaken by the Company;
- b. To recommend the amount of expenditure to be incurred on the CSR activities;
- c. To monitor the CSR Policy of the Company from time to time;



- d. To monitor the CSR initiatives undertaken by the Company directly or through implementing agencies;
- e. To formulate and recommend to the Board, an Annual Action Plan in pursuance of its CSR policy.

The Annual Action plan shall include the following:

- i. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - ii. the manner of execution of such projects or programmes;
 - iii. the modalities of utilization of funds and implementation schedules for the Projects or programmes;
 - iv. monitoring and reporting mechanism for the projects or programmes; and
 - v. details of need and impact assessment, if any,
- f. To consider any other matter which is ancillary to the aforementioned Terms of Reference or as mandated under the regulatory provisions or as may be directed by the Board of Directors from time to time

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of the CSR Committee, based on the reasonable justification to that effect.

5. TOTAL OUTLAY:

The Company shall endeavor to spend a minimum of two (2%) of the Average Net Profits of the Company made during 3 (three) immediately preceding financial years for its CSR activities or as specified under the Act from time to time.

The Company may spend up to 5% of the total CSR expenditure in one financial year on administrative expenses related to general management and administration of the CSR functions of the Company or as permitted under the Act from time to time.

The surplus arising out of the CSR activities will not be considered as a part of the business profits of the Company and shall be ploughed back into the same project, or shall be transferred to the Unspent CSR Account and it should be spent in pursuance of this CSR policy and Annual Action Plan of the Company, or the Company may transfer such surplus amount to a Fund specified in Schedule VII of the Act, within 6 (six) months of the financial year.



Any unspent amount, other than the unspent amount relating to an ongoing project, will be transferred to a Fund specified in Schedule VII, within 6 (six) months of the expiry of the financial year. Further, unspent CSR funds of ongoing projects will be transferred within 30 (thirty) days from the end of the financial year to a special account opened by the Company in any scheduled bank called the "Unspent Corporate Social Responsibility Account ". Such amount shall be spent by the Company towards CSR within 3 (three) financial years from the date of such transfer, failing which, the Company shall transfer the same to a Fund specified in Schedule VII of the Act or as specified under the Act from time to time.

Where the Company spends an amount in excess of requirement, such excess amount may be set off against the requirement to spend up to immediate succeeding 3(three) financial year's subject to conditions as may be prescribed.

6. IMPLEMENTATION:

The CSR activities shall be undertaken directly by the Company or through various implementing agencies or such entities and in the manner as stipulated in the said Rules. The CSR committee shall ensure that such implementing agencies have obtained due registration under the Income Tax Act, 1961, and have fulfilled the requirements of registrations as stipulated under the said Act or Rules.

7. GOVERNING AND MONITORING PROCESS:

The CSR Committee of the Company shall be responsible for formulating and recommending to the Board the CSR Policy and a CSR Annual Action Plan, provided that the Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on reasonable justification to that effect. The CSR Committee reports to the Company's Board of Directors.

The CSR committee will meet at such intervals to monitor and review the progress of the CSR projects and thereafter recommend the progress of the CSR projects for the review of the Board in terms of the Act and the Rules.

8. UPLOADING OF THE CSR POLICY AND CSR ACTIVITIES:

The CSR Policy, the composition of the CSR Committee, and the CSR projects as approved by the Board shall be uploaded on the Company's website for information of all stakeholders and shall be periodically reviewed and appropriately revised by the CSR Committee from time to time.

