

CORPORATE SOCIAL RESPONSIBILITY POLICY

This Corporate Social Responsibility Policy (“the CSRPolicy”) has been framed by RA Chem Pharma Limited (the Company) in accordance with the Section 135, Schedule VII of the Companies Act, 2013 and CSR Rules issued by the Ministry of Corporate Affairs.

1. PROVISIONS OF THE ACT

Pursuant to the Section 135 of the Companies Act, 2013 (hereinafter refer as “the Act”) read with the Companies (Corporate Social Responsibility Policy) Rule, 2014, the Company is required to adopt the Corporate Social Responsibility (CSR) policy in the organization to add sense of responsibility and contribution among corporate which is expected to be Beneficial to different class of people such as children, women, uneducated, unemployed etc. towards which such CSR activities may be focused.

2. OBJECTIVE

The objective of the policy is to actively contribute to the social, environmental and economic development of the society in which we operate.

3. DEFINITIONS

The terms defined in this CSR Policy shall have the meanings herein specified and terms not defined shall have the meanings as defined in the Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014 including any statutory modifications or re-enactments thereof.

3.1 “Act” means the Companies Act, 2013 including any statutory modification or re-enactment thereof.

3.2 “Associate Company” in relation to another company, means a company in which that other company has a significant influence, but which is not a subsidiary company of the company having such influence and includes a joint venture company.

Explanation: Significant influence means control of at least 20% of total share capital or of business decisions under an agreement.

3.3 “Average Net Profit” means profit calculated as per Section 198 of the Companies Act, 2013.

3.4 “Board” means the Board of Directors of the Company.

3.5 “Board’s Report” shall mean report of the Board of Directors prepared in accordance with section 134(3) of the Companies Act, 2013.

3.6 “Company” means RA CHEM PHARMA LIMITED

3.7 “CSR” means Corporate Social Responsibility.

3.8 “CSR activities” means the activities or projects or programmes as recommended by the CSR Committee and approved by the Board, undertaken by the Company from time to time in any one or more of the areas falling under the Schedule VI to the Companies Act, 2013.

3.9 “CSR Committee” means the Committee of the Board constituted under section 135 of the Act for the purpose of administration of CSR activities, supervising the adherence of this CSR Policy and the matter incidental thereto.

3.10 “CSR Policy” means the Corporate Social Responsibility Policy as set out herein and as amended or modified from time to time.

3.11 “CSR Rules” means Companies (Corporate Social Responsibility) Rules, 2014.

3.12 “Independent Director” means a non-executive director of the Company within the meaning of section 2(47) of the Companies Act, 2013.

4. CSR COMMITTEE

The CSR Committee shall comprise of three or more directors out of which at-least one director shall be an independent director. Where the requirements of the CSR committee are changed under Section 135 of the Companies Act, 2013 and rules framed thereunder, the constitution of the CSR committee shall be changed to be in compliance of the Act.

Board of Directors of the Company may re-constitute the Committee, as and when required to do so, by following the sections, sub-sections, rules, regulations, notifications issued or to be issued, from time to time, by the Ministry of Corporate Affairs or the Central Government of India. The Committee shall exercise powers and perform the functions assigned to it by the Board of Directors of the Company pursuant to section 135 of the Companies Act, 2013 and CSR Rules notified with regard thereto.

5. RESPONSIBIITY OF THE CSR COMMITTEE

The responsibilities of the CSR Committee include:

- Formulating and recommending to the Board of Directors the CSR policy and indicating activities to be undertaken
- Recommending the amount of expenditure for the CSR activities and;
- Monitoring CSR activities from time to time

6. CSR ACTIVITIES

(i) The Company shall undertake the activities as recommended by the CSR committee and approved by the Board in accordance with the provisions of Section 135 of the Companies Act, 2013 read with Schedule VII and Companies (CSR Policy) Rules, 2014

a. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;

b. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;

c. 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;

d. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;

e. 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 arts and handicrafts;

f. Measures for the benefit of armed forces veterans, war widows and their dependents;

g. Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;

h. Contribution to the Prime Minister's National relief 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;

i. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;

j. Rural development projects.

K. any other areas covered under Schedule VII or provisions of the Companies Act, 2013 and rules framed thereunder.

(ii) The CSR activities (either new or ongoing) shall be undertaken by the Company in accordance with this policy and shall exclude activities undertaken in pursuance of its normal course of business.

(iii) Subject to the provisions of section 135(5) of the Act, the CSR projects or programs or activities undertaken in India only shall qualify for CSR expenditure.

(iv) The CSR programs or projects or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities in accordance with the Act.

(v) Contribution of any amount directly or indirectly to any political party under section 182 of the Act shall not be considered as CSR activity.

(vi) Companies may build CSR capacities of their own personnel as well as those of their implementing agencies through Institutions with established track records of at least three financial years but such expenditure including expenditure on administrative overheads shall not exceed five percent of total CSR expenditure of the company in one financial year.

7. BUDGET FOR CSR ACTIVITY

The Company shall allocate the budget for CSR activities. The minimum budgeted amount for a financial year shall be 2% of the average net profit of three immediate preceding financial years. The Company may allocate more fund/amount than the amount prescribed under section 135 of the Companies Act, 2013, for the CSR activities for any financial year. The Committee shall calculate the total fund for the CSR activities and recommend to the Board for the approval. The Board shall approve the total fund to be utilized for CSR activity for respective financial year. CSR expenditure shall include all expenditure including contribution to corpus for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on an item not in conformity or not in line with activities which fall within the approved CSR activities.

8. IMPLEMENTATION PROCESS:

After prioritizing the activity the Committee shall finalise the detail implementation project/programme, including planning for expenses against the total budget allocated for CSR activities.

9. MONITORING BY THE BOARD

The Board of Directors shall constantly monitor the implementation of the CSR activities. The CSR committee shall place a progress report, including details of expenses, before the Board on quarterly basis. The Board shall review the same and suggest recommendation, if any, to the committee with regard to implementation process.

10. REPORTING

The Board's report shall include the following particulars:

- A brief outline of the company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR policy and projects or programs;
- The composition of the CSR Committee;
- Average net profit of the company for last three financial years;

- Prescribed CSR Expenditure (2% of the amount of the net profit for the last 3 financial years);
- Details of CSR spent during the financial year;
- In case the company has failed to spend 2% of the average net profit of the last three financial years, reasons thereof;
- A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

11. AMENDMENTS TO THE POLICY

- CSR Policy is subject to revision/amendment in accordance with the guidelines as may be issued by the Government, from time to time.
- The Board may review the policy from time to time based on changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary.