



# RAJASTHAN ANTIBIOTICS LTD

## CORPORATE SOCIAL RESPONSIBILITY POLICY



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## 1. PREAMBLE

CSR builds a dynamic relationship between a company on one hand and the society and environment on the other. CSR is traditionally driven by a moral obligation and philanthropic spirit which over time has become an integral part of business.

RAJASTHAN ANTIBIOTICS LTD (“Company”) has formulated the Corporate Social Responsibility Policy (hereinafter referred to as “CSR Policy”) in compliance with Section 135 of the Companies Act, 2013 (“Act”) read with relevant rules made thereunder and Schedule VII of the Act. It shall apply to all CSR Projects/ Programmes undertaken by the Company as per liberal interpretation of activities listed under Schedule VII of the Act.

The policy was last adopted on September 28, 2021 and was further re-adopted by the Board of Directors in its meeting held on January 5, 2022.

## 2. OBJECTIVE

- a. The main objective of the CSR Policy is to lay down guidelines for RAJASTHAN ANTIBIOTICS LTD to make CSR as one of the key focus areas to adhere to company’s interest in health, environment and society that focuses on making a positive contribution to society through effective impact and sustainable development programs.
- b. This Policy covers the proposed CSR activities to be undertaken by the Company and ensuring that they are in line with Schedule VII of the Act as amended from time to time. It covers the CSR activities which are being carried out in India only and includes strategy that defines plans for future CSR activities.

## 3. SCOPE AND COVERAGE

Titled as the “Rajasthan Antibiotics Ltd CSR Policy” (CSR Policy), it has been prepared keeping in mind the Company’s business ethics and the requirements of the Companies Act, 2013, Schedule VII and the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR activities of the Company shall include, but not limited to any or all of the sectors/activities as may be prescribed by Schedule VII of the Companies Act, 2013 amended from time to time. Further, the Company shall review the sectors/activities from time to time and make additions/ deletions/ clarifications to the above sectors/activities.

## 4. DEFINITIONS

“**Company**” means RAJASTHAN ANTIBIOTICS Ltd. or “RAL”.

“**Act**” means The Companies Act, 2013 and includes the Companies (Corporate Social Responsibility Policy) Rules, 2014 and all other applicable rules and any statutory modifications, re-enactment thereof.

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

“**Corporate Social Responsibility**” CSR means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in Companies (CSR Policy) Amendment Rules, 2021, but shall not include the following, namely:

- i. activities undertaken in pursuance of normal course of business of the company: Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that-
  - a) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;
  - b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;
  - ii. 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;
  - iii. contribution of any amount directly or indirectly to any political party under section 182 of the Act;
  - iv. activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
  - v. activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
  - vi. activities carried out for fulfilment of any other statutory obligations under any law in force in India;

**“CSR Committee”** means the Corporate Social Responsibility committee constituted under Section 135(1) of the Act.

**“Net Profit/Profit”** refers to the net profits of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act, and shall not include the following namely:-

- 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.

**“Ongoing Project”** means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding 3 (three) years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.

**“Rules”** means the Companies (Corporate Social Responsibility Policy) Rules 2014, as amended from time to time.

**“Administrative overheads”** means the expenses incurred by the company for ‘general management and administration’ of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.

*Please note that meaning/definition of the words/ abbreviations used in this policy shall have the same meaning as defined under Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014*

## 5. CONSTITUTION OF THE CSR COMMITTEE

Pursuant to the provisions of Section 135 of the Act, the Board of Directors shall constitute the Corporate Social Responsibility (CSR) Committee. The Members of CSR shall be appointed by the Board of Directors of the Company, and the CSR Committee of the Company shall consist of at least 3 (three) directors amongst whom at least 1 (one) shall be Independent Director or as may be constituted by the Board of Directors from time to time in compliance with the Act..

**Meetings:** The Committee shall hold meeting as and when required, to discuss various issues on implementation of the CSR Policy of the Company. The members would thrive to hold at least one meeting in a financial year.

**Quorum:** The quorum for a meeting of the Committee on CSR shall be two members including atleast one independent director.

### **Role of CSR Committee: -**

The CSR Committee of the Company shall be responsible for:

- a. Formulating and recommending to the Board, the CSR Policy which shall indicate activities to be undertaken in line with Section 135 read with Schedule VII of the Act.
- b. Recommending to the Board, the CSR expenditure to be incurred.
- c. Monitoring the implementation of the CSR Policy of the Company from time to time.
- d. Formulation of Annual action plan for CSR expenditure, projects or programmes, utilization of funds, implementation schedules and monitoring and reporting mechanism.

## 6. ELIGIBLE AREAS OF CSR/CSR OPPORTUNITIES UNDER THE COMPANIES ACT,2013

In accordance with Schedule VII to the Companies Act, 2013 including amendments, if any of same for time to time, activities relating to following may be included by the Company in its Corporate Social Responsibility Policy:

- a. 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;
- 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 centres 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 including contribution to Clean Ganga Fund set- up by the Central Government for rejuvenation of river Ganga;

- 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 art and handicrafts;
- f. 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;
- 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 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 for the welfare of the Scheduled Castes, Tribes, other backward classes, minorities and women;
- i. 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
- j. 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)
- k. Rural development projects.
  - l. Slum area development.
- m. disaster management, including relief, rehabilitation and reconstruction activities
- n. Any other projects or activities approved by the Central Government pursuant to Section 135 of the Act, from time to time. Keeping in view of the spread of the novel COVID-2019 in India, spending of CSR funds for various activities related to COVID-2019 is an eligible CSR activity

Further, the Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities.

The CSR Committee shall recommend the activities to be carried to the Board every financial year.

#### **7. CSR BUDGET/ SPEND/CORPUS OF FUNDS:**

1. The Company will constitute Corpus of Funds or earmark amount to be spent on CSR activities which will be utilized for the Eligible CSR Activities under the Supervision and Guidance of CSR Committee of the Board of Directors of the Company.
2. The Company will contribute and spend at least 2% of the Average Net profits of the Company made during the three immediately preceding Financial Years or such higher amount as may be recommended by the CSR Committee from time to time in such projects / activities as may be determined by the CSR Committee in pursuance of this Policy Statement and annual action plan of the Company.
3. The Board shall ensure that the administrative overheads shall not exceed 5% (five) percent of total CSR expenditure of the Company for the financial year.

4. Any amount remaining unspent at the end of the financial year, if any, except in case of an ongoing project, shall be transferred to a Fund to be specified in Schedule VII for this purpose, within a period of 6 (six) months of the expiry of the relevant financial year.
5. While approving any Ongoing CSR project or programme, the Board of Directors of the Company shall lay down the following:
  - Estimated budget outlay on CSR project or programme during the course of its implementation
  - Estimated budget outlay during every financial year.
  - Manner of implementation

In case the Company undertakes any ongoing project, any amount remaining unspent and earmarked for the ongoing project, shall be transferred within a period of **30 (thirty) days** from the end of the financial year to a special account to be opened for that financial year in any scheduled bank to be called the '**Unspent Corporate Social Responsibility Account**', and such amount shall be spent within a period of **3 (three) financial years** from the date of such transfer, failing which, the unspent amount shall be transferred to the Fund to specified in Schedule VII for this purpose, within a period of **30 (thirty) days** from the date of completion of the third financial year.

6. The Company may during any financial year, spend in excess of its CSR obligation and carry-forward and set-off, such excess amount from its CSR obligation during next immediate succeeding 3 (three) financial years subject to the conditions that –
  - i. the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule.
  - ii. the Board of the Company shall pass a resolution to that effect
7. **Surplus Arising From CSR Activity:** The surplus arising from CSR projects, programs or activities shall not form part of the business profit of the company and shall be,
  - (a) ploughed back into the same project or
  - (b) transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the Company or
  - (c) transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
8. If in case the Company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134 of the companies act 2013, specify the reasons for not spending the prescribed amount.

## **8. IMPLEMENTATION:**

- a. Company will implement its CSR activities in accordance with Section 135 of the Companies Act 2013 and rules notified thereunder. The Company may undertake and/or initiate CSR activities by itself or setting up registered Trust/ Societies/ Company under section 8 of the Companies Act, 2013 or established by the Central Government or State Government or any entity established under an Act of Parliament or a State legislature.
- b. Company may also conduct/implement its CSR programmes through registered public Trusts, registered Societies registered under section 12A and 80G of the Income Tax Act, 1961, or Section 8 Companies operating in India in respect of which Form CSR 1 is filed with ROC, which are not set up by the Company itself. Such spends may be included as part of its prescribed CSR spend only if such



organizations are registered and have an established track record of at least three years in carrying on activities in related areas. Further, the Company may donate funds to registered trust/society/ Section 8 Company- Companies with Charitable Objects etc., where it is created exclusively for undertaking CSR activities or where the corpus is created exclusively for a purpose directly relatable to a subject covered in schedule VII of the Companies Act, 2013.

- c. It 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.

## **9. MONITORING AND FEEDBACK**

- a) It will be the responsibility of the CSR committee to monitor periodically the implementation of the projects/programmes /activities under this CSR policy. The annual action plan approved by the Board every financial year, shall provide the manner in which CSR projects or activities undertaken during the said year, will be monitored.
- b) Project selection and progress of projects will additionally be reviewed by the CSR committee on a regular interval.
- c) The report on progress on the CSR program undertaken by the Company will be put forward to the CSR Committee with full details of cost incurred and results achieved on a regular basis. Appropriate documentation of the Company's CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis and presented to the CSR Committee.
- d) Committee shall also have powers to ratify any CSR related expenditure incurred by the Company on the areas/activities as per schedule VII of the Act.

## **10. DISCLOSURE**

The Company shall comply with provisions of section 134 & 135 of the Act thereby ensuring that it makes disclosure of its CSR Policy, Projects/ Programmes, Activities, Implementing Agencies, Expenditure details as well as the composition of the CSR Committee of the Board, as required under the Act. The Board's report, being a part of the Annual Report shall disclose the composition of the CSR Committee, web-link of the CSR policy along with salient features of the policy and changes (if any) undertaken during the last financial year and the CSR initiatives undertaken. This CSR Policy shall also be placed on the website of the Company at [www.rallife.com](http://www.rallife.com).

## **11. REVIEW MECHANISM**

The Policy shall be reviewed and revised as and when required by the CSR committee subject to the approval of board of directors but will, at all times be subject to the applicable laws.

## **12. INTERPRETATION**

In case of any conflict between the provisions of this Policy and provisions of any applicable law, the provisions of the applicable law shall prevail over this Policy. Any subsequent amendments/modifications in the provisions of applicable law shall automatically apply to this Policy. The CSR Committee reserves the right to modify, add, or amend any of provisions of this Policy subject to approval of the Board.

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