

ALEMBIC LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

Details of Adoption / Amendments to the Policy				
Policy Adoption / Change effective Date	Clause No.	Particulars of the Adoption / Change	Board Approval Date	Version of Policy
01/04/2014	-	Adoption of Policy	06/05/2014	Original
30/01/2019	Various clauses	Pursuant to the amendments in Section 135 of the Companies Act, 2013 read with rules framed thereunder from time to time	30/01/2019	V-2
11/05/2021	Various clauses	Pursuant to the amendment in Section 135 of the Companies Act, 2013 read with rules framed thereunder from time to time	11/05/2021	V-3

1. Objective:

The objective of Corporate Social Responsibility Policy ('CSR Policy' or 'Policy' as the context may require) is to lay down the statement containing the approach and direction given by the Board of Directors ("the Board") of Alembic Limited ('Alembic' or 'the Company'), after taking into account the recommendations of its Corporate Social Responsibility Committee ('CSR Committee' or the 'Committee') and to specifically provide for guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan for undertaking Corporate Social Responsibility ('CSR') activities. This Policy is formulated in compliance with the requirements of Section 135 of the Companies Act, 2013 the ('Act') read with the Companies (Corporate Social Responsibility) Rules, 2014 ('Rules').

2. Philosophy of Alembic on CSR:

CSR is not a new term for Alembic Group. It has been proactively carrying out CSR activities since over fifty years. It has established, nurtured and promoted various Non-Profit Organizations focusing on three major areas – Education, Healthcare and Rural Development.

3. General:

The Board of Directors ('Board') of the Company has adopted this Policy at their meeting after obtaining recommendations from the CSR Committee. The details of the original adoption and subsequent amendments, if any, are mentioned in the table provided at the beginning of the Policy.

Any term(s) not defined in the Policy shall have the same meaning as assigned to such term(s) in the Companies Act, 2013 and / or the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other applicable laws or regulations.

4. Effective Date:

The Policy was originally brought into effect from 1st April, 2014. Subsequent amendments have been made from time to time which is reflected in the table laid out at the beginning of this policy. The present version of the Policy with the amendments to give effect to amendments in the Act and the Rules has come into effect from 11th May, 2021.

5. Approach & Direction:

- The Board of Directors has constituted a CSR Committee with majority of its members being Independent Directors of the Company.
- The Committee shall directly or in consultation with eligible Section 8 company(ies), Trusts, Societies, NGO(s) or other entities (hereinafter singly or jointly referred to as the 'Implementation Agency(ies)', as the context may require) identify programs/projects in which the CSR activities can be undertaken and recommend to the Board for its approval, from time to time.
- The programs/projects can be undertaken by the Company itself or through:
 - a) a company established under Section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961 (43 of 1961), established by the Company, either singly or along with any other company or
 - b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
 - c) any entity established under an Act of Parliament or a State legislature; or
 - d) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under Section 12A and 80G of the Income Tax Act, 1961 and having an established track record of at least three years in undertaking similar activities.
- CSR activities may also be undertaken in collaboration with other Companies in such a manner that the CSR committee of the respective companies are in a position to report separately on such projects or programmes in accordance with the prescribed Rules.
- Alembic CSR foundation which was settled by the Company along with other entities of the Alembic Group, in order to channelize CSR initiatives of the Alembic Group in a strategic manner, shall act as a key Implementation Agency.
- The Committee shall formulate and recommend to the Board, an annual action plan along with requisite details, in pursuance of this Policy, at the first meeting of every financial year.
- The programs/projects which benefit only to the employees of the Company and their families shall not be considered for CSR activities.
- The Committee shall endeavor for CSR capacity building of the personnel of the Company and / or of the institution carrying CSR activities of the Company and the same shall be considered as administrative overheads, in which not more than 5% of the total CSR budget shall be spent during the financial year.

- The Company may engage international organization for designing, monitoring and evaluation of the CSR activities as well as for capacity building of their own personnel for CSR.

6. Projects or Programs to be Undertaken / Areas and subjects identified:

6.1 Selection:

The CSR projects or programs or activities to be undertaken by the Company shall be in the areas and subjects specified in Schedule VII of the Companies Act, 2013.

The Committee shall over and above the annual action plan, decide/recommend to the Board, from time to time, on CSR activities to be undertaken, the geographical area covered, Implementation Agency(ies), with which the projects/programs/activities are to be undertaken, amount to be spent on various projects, whether on going or fresh.

While deciding on the CSR activities, priority shall be given to the needs and requirements of communities or areas around which the Company operates.

The Company proposes to follow a planned model for CSR activities which are sustainable over long-term and has a direct and/or long term sustainable benefit / impact on the life of the beneficiaries of such programs. The Company may also undertake multiple projects annually, the requirement of which may be recognized due to an immediate need of a particular section of the society.

The CSR programs or projects or activities that the Company plans to undertake directly or through Implementation Agency(ies) and the modalities of execution / implementation of the same is as under:

(i) Bhailal Amin General Hospital (BAGH):

Support BAGH in promoting healthcare including preventive healthcare through:

- a. Donation in cash or kind (medicines / drugs manufactured by the Company) to BAGH for specific activities.
- b. Sponsorships of free medical check-ups for community in vicinity of the manufacturing facilities of the Company.

- c. Sponsorships of medical treatment for poor as recommended by committee of Doctors of BAGH.
- d. Sponsorships of equipped Ambulance or such other specific equipment as may be required by BAGH.

(ii) Rural Development Society (RDS):

Support RDS in promoting following initiatives through donating in cash or kind as may be required by RDS:

- a. Running of School with Hostel for students of poor families free of cost.
- b. Operating Medical Dispensary with qualified doctor for preliminary medical facilities to the poor patients free of cost.
- c. Conducting Vocational Training Courses like carpentry, plumbing, electrician, tailoring, etc. with a view to make people self-reliant.
- d. Undertaking various activities with the objective of development of local villages by running sanitation campaigns, de-addiction programs, mal-nutrition awareness programs, HIV/AIDS awareness programs, etc.

(iii) Alembic CSR Foundation:

Support Alembic CSR Foundation in promoting following initiatives through donating in cash or kind as may be required by Alembic CSR Foundation:

- a. Adoption of Schools in tribal / backward areas.
- b. Sanitation.
- c. Community outreach programs.
- d. Adoption of Children's homes / Government institution for destitutes.
- e. Rural Development Projects.
- f. Healthcare including preventive healthcare.
- g. Promoting Education.
- h. Promotion of Sports.
- i. Promotion and Development of Traditional Arts and Handicrafts.
- j. Flood relief activities.
- k. Employment enhancing vocational skills.
- l. Other areas / activities prescribed under Schedule VII of the Companies Act, 2013.

(iv) Spread of Education at affordable cost to students of poor or low income groups through the following trusts, by donations in cash or kind:

- a. Uday Education Society.

- b. Bal Utkarsh Society.
 - c. Utkarsh Vidya Kendra.
 - d. Vidyanidhi Trust – Bangalore.
 - e. Ujjwal Vidyalaya – Bangalore.
- (v) Support any other Implementation Agency(ies) other than those mentioned above in carrying out the activities mentioned in Schedule VII of the Companies Act, 2013.

6.2 Annual Action Plan:

On the basis of the guidelines prescribed in this Policy and in consultation with the Company's management and Alembic CSR Foundation, the Committee shall formulate and recommend to the Board of Directors an annual action plan, at the first meeting of every financial year which may be adopted by the Board.

The annual action plan shall include the following details:

- (i) list of CSR projects or programmes to be undertaken;
- (ii) manner of execution of such projects or programmes;
- (iii) modalities of utilisation 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, for the projects undertaken.

The Committee may also at any time during the financial year, with reasonable justifications, recommend modifications to the existing annual action plan to the Board of Directors for adoption.

6.3 Implementation:

Depending on the annual action plan approved by the Board of Directors, the Company or the Implementation Agency will attend to the activities related to CSR, either directly or with assistance from external consultants with required competency and experience, hired for the purpose.

The Company or the Implementation Agency may also work jointly with other implementation agencies with specific domain knowledge and work experience, satisfying the criteria prescribed in the Rules.

The Company or the Implementation Agency may enter into partnerships / collaborations with government bodies, business partners and communities to create multiplier effect of its social programmes.

The Company or the Implementation Agency may use the services of employees and their family members as volunteers to promote awareness and inclusiveness and external experts / agencies / consultancy firms for effective pre and post assessments, implementation, surveys, impact assessment, volunteering activities, etc.

The implementation schedule of various programs or projects or activities shall be guided by the nature, extent of coverage and the intended impact of the programme.

7. CSR Expenditure:

CSR expenditure shall include all expenditure including contribution to corpus, or on projects or programmes related to CSR activities approved by the Board of the Company on the recommendation of the Committee. It will include contribution to eligible Implementation Agency(ies).

Amount spent on creation or acquisition of capital asset, administrative overheads, impact assessment and other activities not directly connected with the CSR activity shall also be eligible as CSR expenditure, to the extent permissible under the Act / the Rules.

CSR activities shall not include the activities undertaken by the Company in the normal course of business and such other activities as prescribed in the Act and/or the Rules.

Any amount spent in excess of requirement provided under sub-section (5) of section 135, may be set off in succeeding three financial years, in accordance with the provisions prescribed in the Rules.

The surplus, if any, arising out of the CSR projects or programs or activities shall not form part of the business profits of the Company and shall be dealt with in accordance with the provisions prescribed in the Rules.

8. Monitoring Process:

In addition to compliance with the provisions prescribed in the Act and/or the Rules:

- The Committee shall monitor the CSR projects, programs, activities and implementation and execution of the same from time to time and report the same to the Board of Directors on a quarterly basis.
- The Committee shall on completion of every financial year, submit to the Board, details of the CSR spent during the financial year and reasons for the actual spent being less than the limits prescribed by the law, if any.
- The Board of Directors shall satisfy itself that the funds disbursed for CSR activities have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
- The annual report on CSR activities shall form part of Board's Report of the Company.
- The Committee shall recommend changes/editions to be carried out in the policy to the Board from time to time.

9. Disclosures:

The Company shall, in addition to other disclosure requirement under the Act / Rules, also disclose this Policy on its website and a web-link thereto shall be provided in the annual report on CSR activities.

10. Amendment:

The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy.
