

NEULAND LABORATORIES LIMITED

CORORATE SOCIAL RESPONSIBILITY POLICY

❖ Introduction

Neuland Laboratories Limited (“**the Company**”) endeavours to conduct its business in an economically, socially and environmentally sustainable manner that is transparent and ethical, and by adopting appropriate business processes and strategies for the benefit and development of the society. The Company is committed to undertake activities in accordance with the provisions of Section 135 of the Companies Act, 2013 and related Rules, as amended from time to time (“**Act**”), to fulfil its responsibilities as a corporate citizen.

❖ CSR Vision

To actively contribute to the social and economic development of the communities in which we operate through our services, conduct & initiatives, so as to promote sustained growth for the society and community, in fulfilment of our role as a responsible corporate.

❖ Policy Objective

The objective of the Corporate Social Responsibility (“**CSR**”) Policy is to set guiding principles for carrying out CSR activities by the Company and also to set up process of execution, implementation and monitoring of the CSR activities to be undertaken by the Company.

❖ CSR Committee

CSR Committee means the Corporate Social Responsibility Committee constituted by the Board of Directors of the Company pursuant to Section 135 of the Act.

❖ Role of the Committee

The Committee shall carry out of the following functions:

- a) providing recommendations to the Board 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
- b) formulate annual action plan in pursuance of the CSR policy in accordance with applicable law, including:
 - the list of CSR projects or programmes that are approved
 - the manner of execution of such projects or programmes
 - the modalities of utilisation of funds and implementation schedules for the projects or programmes
 - monitoring and reporting mechanism for the projects or programmes; and
 - details of need and impact assessment, if any, for the projects undertaken by the company

- a) Any other functions as may be delegated and/or assigned by the Board from time to time.

❖ **CSR Activities**

The Company shall undertake CSR activities in accordance with the activities specified under the Act and any amendments thereof as under:

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water.
- (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- (iii) 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.
- (iv) 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.
- (v) 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;
- (vi) training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports
- (vii) 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 and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- (viii) contributions to universities, institutes, laboratories, departments and the ministries of the government, autonomous institutes, bodies and organizations engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- (ix) rural development projects;
- (x) slum area development;
- (xi) disaster management including relief, rehabilitation and reconstruction activities; and
- (xii) Any other activities or subjects specified in Schedule VII of the Companies Act, 2013 (the Act) and the rules made thereunder, as amended from time to time and circulars/notifications issued by statutory authorities.

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.

❖ **CSR Expenditure**

- a) 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.
- b) The CSR Committee shall formulate and recommend to the Board of Directors, an Annual Plan in pursuance of this Policy, which shall include focus areas for the year, the list of projects to be undertaken, manner of execution, fund utilization, monitoring mechanism, etc.
- c) The administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.
- d) Any surplus arising and/or additional revenue generated out of CSR Activities undertaken by the Company shall not form part of the business profit of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- e) If the CSR expenditure in a financial year exceeds the CSR obligations under the Act in a financial year, such excess may be set-off against the requirement of CSR spending for such period as specified under the Act.
- f) 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 specified for this purpose, within such period as may be prescribed under the Act and the rules made thereunder.
- g) 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 thirty days from the end of the financial year to a special account to be opened by the Company for that financial year in any scheduled bank to be called as 'Unspent Corporate Social Responsibility Account', and such amount shall be spent within a period of three financial years from the date of such transfer, failing which, the unspent amount shall be transferred to the Fund as specified in Schedule VII for this purpose, within a period of thirty days from the date of completion of the third financial year (or such other period as may be specified in the Act and rules made thereunder).

❖ **Implementation**

- The Company shall focus on the activities listed in this Policy.
- The Company may partner with NGOs/trusts/foundations and other charitable organizations, registered under the Act, for implementation of CSR activities.

- The Company may also collaborate with other Companies for undertaking projects or programmes 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 programmes in accordance with the CSR Rules.

❖ **Monitoring and Review Mechanism**

- The administration of CSR policy and execution of identified CSR project, programs and activities under it shall be carried out under the overall superintendence and guidance of the CSR committee formed for this purpose.
- The amounts to be spent will be authorized by the CEO.
- The Committee may further authorise officials to carry out the CSR activities.
- The CSR Committee shall report to the Board on the activities undertaken by the Company.

❖ **Interpretation**

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, as may be amended from time to time shall have the meaning respectively assigned to them therein.

In the event of any conflict between the provisions of this Policy and of the applicable law dealing with the Corporate Social Responsibility, such applicable law in force from time to time shall prevail over this Policy.

❖ **Amendments to the Policy**

The Board of Directors, either on its own or as per the recommendations of CSR Committee, can amend this Policy, as and when required. The decision of the Board of Directors on all matters, relating to this Policy, shall be final and binding upon all concerned. This Policy is subject to continuous review and updates as required from time to time.