

CORPORATE SOCIAL RESPONSIBILITY POLICY OF **CORAL DRUGS PRIVATE LIMITED**

I. Preamble

Coral Drugs Private Limited ("the Company") is inspired by a saying "The well being of the people is the supreme law". While pursuing its business strategy of introducing products that give its consumers health & wellness, the Company operates in a manner that not just continues to generate an attractive return for shareholders, but also minimizes its impact on the environment and helps in replenishing the planet; while lending a helping hand to the community.

The Company believes that an organisation can achieve sustainable economic growth only when it contributes to equitable development for all. Translating this belief into action, the Company continually strives to integrate environmental, social and governance considerations into all facets of its business operations and stakeholder engagements. This is implemented through a comprehensive Corporate Social Responsibility policy supported by a robust governance structure.

This document sets out the Corporate Social Responsibility Policy ("CSR Policy") of the Company. The CSR Policy has been formulated in accordance with Section 135 of the Companies Act, 2013, the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 (the "CSR Rules"), and all relevant amendments, notifications and circulars in force from time to time. The CSR Policy shall apply to all CSR programmes and activities undertaken by the Company, either directly or through an implementing agency. It sets out the approach and direction provided by the Board, taking into account the recommendations of the CSR Committee, and includes guiding principles for the selection, implementation and monitoring of activities and the formulation of the Annual Action Plan.

In light of the above, the Company's Corporate Social Responsibility (CSR) Policy is broadly framed around the following measures:

- a) Welfare measures for the community at large, including employees and their families, with a view to ensuring that society derives maximum benefit.
- b) Production of world-class medicines.
- c) Addressing challenges relating to improved access to and affordability of medicines.
- d) Contribution to society at large through social, cultural and economic development, education, training and social awareness programmes, particularly for economically disadvantaged groups, with a focus on their development and livelihood enhancement.
- e) Protection and safeguarding of the environment and maintenance of ecological balance.

II. Definitions

In this Policy, unless the context otherwise requires:

- a) 'Act' means Companies Act, 2013;
- b) 'Corporate Social Responsibility' means Corporate Social Responsibility (CSR) as defined in Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 including any re-enactment, modifications or amendments thereof;
- c) 'Ministry' means the Ministry of Corporate Affairs

- d) 'Net Profit' means net profit as defined in Section 135 of the Companies Act 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 including any re-enactment, modifications or amendments thereof, defines Net Profit as set out below:

Net Profit as per financial statements prepared in accordance with the applicable provisions of the Act, but 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 that are covered by and complying with the provisions of Section 135 of the Act.

Words and expressions used in this CSR Policy and not defined herein, but defined in the Act, shall have the meanings respectively assigned to them in the Act.

III. Objective

The main objectives of the CSR Policy are:

- (a) To embrace responsibility for the Company's actions and encourage a positive impact through its activities on hunger, poverty, malnutrition, the environment, the community, stakeholders and society.
- (b) To supplement the role of the Government in enhancing the welfare of society, taking into account the immediate and long-term social and environmental consequences of the Company's activities.

The Company will act as a responsible corporate citizen and strive to contribute to the welfare of society.

IV. Focus Areas

In accordance with the requirements of the Companies Act, 2013, the Company's CSR activities shall, among other areas, focus on the following:

1. **Hunger, Poverty, Nutrition & Health:** Eradicating hunger, poverty and malnutrition; promoting healthcare, including preventive healthcare and sanitation; contributing to the Swachh Bharat Kosh established by the Central Government for the promotion of sanitation; and making safe drinking water available;
2. **Education:** Promoting education, including special education and employment-enhancing vocational skills, particularly among children, women, the elderly and persons with disabilities, as well as livelihood enhancement projects;
3. **Rural Development Projects:** Strengthening rural areas by improving accessibility, housing, drinking water, sanitation, power and livelihoods, thereby contributing to the creation of sustainable villages.
4. **Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief In Emergency Situations Fund (PM Cares Fund):** 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;
5. **Gender Equality & Empowerment of Women:** Promoting gender equality and empowering women; setting up homes and hostels for women and orphans; setting up old-age homes, day-care

centres and other facilities for senior citizens; and undertaking measures to reduce inequalities faced by socially and economically disadvantaged groups;

6. **Environmental Sustainability:** Ensuring environmental sustainability and ecological balance; protection of flora and fauna; animal welfare; agroforestry; conservation of natural resources; maintaining the quality of soil, air and water; and contributing to the Clean Ganga Fund established by the Central Government for the rejuvenation of the River Ganga;

The above CSR activities are illustrative and not exhaustive. The Company may undertake any other activity prescribed in Schedule VII to the Companies Act, 2013. Further programmes and/or activities may be identified through review, evaluation and assessment by the CSR Committee or the Board from time to time.

Projects should be designed to create a long-term impact on society, with clear objectives, planned outcomes and an appropriate monitoring and reporting framework. All projects shall be periodically reviewed for course correction, wherever necessary.

Due consideration shall be given to material risk factors before the selection and initiation of projects and throughout their implementation. Such risks shall be appropriately mitigated and managed on an ongoing basis.

These CSR activities shall specifically exclude activities undertaken in the normal course of the Company's business and such other exclusions as specified in the Act.

V. Location for CSR Efforts

The CSR Committee shall decide the locations for CSR activities. However, the Company shall give preference to local areas around its operations for spending the amount earmarked for CSR activities.

VI. Implementation of CSR activities

The Board shall be responsible for implementing the CSR Activities in accordance with this CSR Policy, read with the Act and the CSR Rules (including amendments thereto), and the Annual Action Plan approved by the Board of Directors of the Company.

The following shall be the guiding principles for the implementation of the Company's CSR Activities:

1. The Company may undertake CSR activities either directly or through an implementing agency, as permitted under the Act. Where expenditure is incurred through an implementing agency, the Company shall assess the agency's credibility, knowledge and domain expertise in the relevant CSR activities. The Company shall also consider charitable organisations that meet the eligibility criteria prescribed under the Act, as amended from time to time, for undertaking its CSR activities.
2. Where the Company collaborates with an implementing agency to undertake projects, programmes or CSR activities, it shall ensure that it is able to report separately on each such project or programme.

VII. Monitoring and Surveillance

The CSR Committee shall be responsible for monitoring the Company's CSR activities and for reviewing the CSR Policy and its implementation from time to time.

The guiding principles for monitoring the CSR Activities are as follows:

1. CSR expenditure and actions shall be subject to review at the discretion of the Board of Directors of the Company.
2. Cost-benefit analysis and justification shall include the amount of financial involvement and, where applicable, a detailed project report prepared by third parties or external agencies.
3. The CSR expenditure incurred by the Company shall be reported in the Board's Report in the prescribed manner, with the relevant details duly disclosed therein.
4. The CSR Committee shall be empowered to appoint an external third party to monitor, review and/or audit the financial and programme-related progress of CSR projects.
5. The CSR Committee shall ensure that proper records and acknowledgements are maintained for amounts transferred to implementing agencies for CSR activities, together with supporting expenditure records provided by such implementing agencies in respect of expenditure incurred towards the Company's approved CSR activities.
6. The Board of Directors of the Company shall disclose the composition of the CSR Committee, the CSR Policy and the projects approved by the Board on the Company's website, if any, for public access.
7. In case of ongoing project, the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.
8. The Board of the company shall satisfy itself that the funds so disbursed have been utilised 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.

VIII. Governance Structure

1. In compliance with the requirements of Section 135 of the Act, the CSR governance structure shall be headed by the CSR Committee, which shall be responsible for the CSR projects undertaken by the Company. The Committee shall report to the Board of Directors of the Company.

1.1. Composition of CSR Committee

- Mr. Binay Kumar Bhuwania
- Mr. Rohit Bhuwania
- Ms. Meena Bhuwania

1.2. Responsibilities

- Formulate and update the CSR Policy for approval by the Board of Directors.
- Formulate and recommend to the Board an Annual Action Plan each year in pursuance of the CSR Policy.
- Suggest areas of intervention to the Board.
- Recommend/approve the projects specified under Section IV of the CSR Policy, as applicable.
- Put in place monitoring mechanisms to track the progress of each project.
- Recommend the amount of expenditure for CSR Activities to the Board.

1.3. Meetings

The Committee shall hold meetings as and when required to discuss matters relating to the implementation of the CSR Policy of the Company.

1.4. Quorum

The quorum for a meeting of the CSR Committee shall be one-third of its total strength or two members, whichever is higher.

IX. Guiding Principles for the Annual Action Plan

The Company shall prepare an Annual Action Plan identifying the activities to be undertaken and the CSR expenditure to be incurred during the year. The Annual Action Plan shall include the following details:

- a) List of CSR projects or programmes approved to be undertaken in the areas or subjects specified in Schedule VII of the Act;
- b) Manner of execution of such projects or programmes;
- c) Modalities for utilisation of funds and implementation schedules for the projects or programmes;
- d) Monitoring and reporting mechanism for the projects or programmes; and
- e) Details of need and impact assessment, if any, for projects undertaken by the Company.

The CSR Committee, unless dissolved, shall formulate and recommend to the Board an Annual Action Plan for each financial year in pursuance of the CSR Policy.

Provided that the Board may alter such Plan at any time during the financial year on the recommendation of the CSR Committee, unless dissolved, based on reasonable justification for such alteration.

Further, the guiding principles for formulating the Annual Action Plan are as follows:

- a) CSR programmes shall not include activities restricted under the amended Companies (Corporate Social Responsibility Policy) Rules;
- b) Preference shall be given by the Company to CSR programmes in local areas and areas around its operations.
- c) The Annual Action Plan shall be simple, action-oriented, measurable, relevant and time-bound.

X. General Policy Guidelines

- 1. The CSR programmes and/or activities so selected or identified may be carried out by the Company through its officials, employees, representatives or any relevant forum, platform or organisation, as may be decided by the CSR Committee.
- 2. The Company may collaborate or pool resources with other companies to undertake CSR activities, and expenditure incurred on such collaborative efforts shall qualify for computing statutory CSR spending, subject to applicable law.
- 3. Any stakeholder may communicate with the CSR Committee members and submit recommendations or suggestions for consideration by the CSR Committee.
- 4. Any contribution, directly or indirectly, to any political party under Section 182 of the Act shall not be considered a CSR activity.
- 5. Any or all provisions of this CSR Policy shall be subject to revision or amendment in accordance with guidelines on the subject issued by the Government from time to time. The CSR Committee reserves the right to modify, add to, or amend any of the provisions of this Policy, subject to approval by the Board.