



Samrat Pharmachem Limited

Manufacturers & Exporters of Pharmaceutical Chemicals

Corporate Social Responsibility



“My conscience always tells me, whatever you are, you owe it to the society & your people. I have the conviction that only by doing selfless service to the needy, one can achieve a true sense of satisfaction and happiness; which is the highest purpose of life.”

Mr. Lalit Mehta

Founder & Managing Director
Samrat Pharmachem Limited



Contents

1. Conceptual framework	3
1.1. Title of the policy	3
1.2. Applicability/ scope	3
1.3. CSR Vision	3
1.4. Objectives	3
2. CSR Governance	4
2.1. Governance mechanism	4
2.2. Corporate Social Responsibility Committee (CSRC)	4
2.3. Powers and duties of the CSRC	5
2.4. Implementing and executing bodies	5
2.5. Organisational Structure for Programme Implementation	6
3. Planning, Strategies and implementation of CSR programmes	6
3.1. Outreach strategy and principles	6
3.2. Project-based Approach	7
3.3. Implementation Mechanism and Principles	7
3.4. Focus and major drives of CSR programmes	8
3.5. CSR Programme areas and Sectors of interventions	9
3.6. Process of implementation	10
3.7. Duration and scale of the programmes	10
4. Budgeting, Resource Allocation and Disbursement	11
4.1. Definition of CSR Expenditure	11
4.2. Approvals and disbursement	11
5. Review and Revision of the Policy	12
6. Reporting and Documentation	12
6.1. Internal reporting	12
6.2. Documentation mechanism and plan	12
6.3. Compliance reporting	12



Corporate Social Responsibility Policy

This document outlines the Corporate Social Responsibility (CSR) Policy of Samrat Pharmachem Limited ("SPL" or "The Company"). This policy document largely articulates the CSR policy of Samrat Pharmachem Limited in practice and makes it more congruent with the framework provided by the Section 135 of the Companies Act, 2013.

1. Conceptual framework

1.1. Title of the policy

This policy, incorporating the philosophy, guidelines and mechanism of Samrat Pharmachem Limited for undertaking social and economic measures for the welfare and sustainable development of the society, is titled as the '**SPL CSR Policy**'.

1.2. Applicability/scope

This policy shall apply to all CSR initiatives and activities taken up Samrat Pharmachem Limited.

1.3. CSR Vision

Corporate Social Responsibility (CSR) cannot be a mere set of mandatory legal provisions for compliance. It is a moral and social obligation that shoots out from within, Mr. Lalit Mehta. The core of SPL's CSR programme will be for building sustainable models for enhancement in *Human Development Indices (HDI)*. This will be replicated widely through collaborations and partnerships. The program design of the CSR work of the Company will be guided by the initiatives by United Nations under sustainable development goals and following the company's background in Iodine Chemistry the company would focus on Scaling up nutrition movement for betterment of human, animal health & eradication of Thyroid & Goitre diseases. The company shall follow its CSR Policy which offers an appropriate framework for the action.

1.4. Objectives

The CSR Policy aims at:

- 1.4.1. Building and replicating sustainable, evolving, dynamic models of social, economic, infrastructure and natural resource development models of macro, micro and mini scales through CSR programme in partnership with government bodies and other stakeholders at national, regional, district, block and village level.
- 1.4.2. Providing services and solutions to address social issues with highest social priority for the poor, marginalized and under-privileged in line with the business



Samrat Pharmachem Limited

Manufacturers & Exporters of Pharmaceutical Chemicals

philosophy of providing affordable products for eliminating Iodine deficiency related diseases.

- 1.4.3. Planning and executing the programmes that would benefit the communities in and around its work-sites, factory and plant location and adopted-areas with low HDI-scores in order to enhance the quality of life of the community in general.
- 1.4.4. Carrying out activities that would create increased happiness and empowerment of the stakeholders.
- 1.4.5. Acting as a catalyst, integrating diverse resources to make things happen at the field level, through direct intervention and social investment, attempt will be made to address the immediate needs of the indigent as well as long-term development concerns.
- 1.4.6. Responding to natural and anthropogenic disasters, calamities at global and national levels as well as in the areas of operations to provide relief, reconstruction and rehabilitation support, as and when required.
- 1.4.7. Setting up deeper sustainable institutional projects for the long-term welfare of the people.

2. CSR Governance

2.1. Governance mechanism

The Company has established an accountable, robust and transparent governing mechanism to manage the operation under its CSR Policy, in compliance with the requirements of Section 135 of the Companies Act, 2013.

2.2. Corporate Social Responsibility Committee

Board-level CSR Committee (CSRC) has been formed to plan and manage CSR programmes undertaken. The CSRC consists of:

Sr.	Name	Designation
1	Ms. Renu Dharod	<i>Chairperson</i>
2	Mr. Lalit Mehta	<i>Member</i>
3	Mr. Rajesh Mehta	<i>Member</i>
3	Mr. Megh Mehta	<i>Member</i>
4	Mr. Mahendra Pipalia	<i>Member</i>
5	Mr. Samir Kothary	<i>Member</i>



Samrat Pharmachem Limited

Manufacturers & Exporters of Pharmaceutical Chemicals

2.3. Powers and duties of the CSRC

- 2.3.1. CSRC will formulate, review, revise and update SPL's CSR Policy, which will be approved by the Board of the Company. CSRC will suggest strategies, focus and areas of intervention and operation to the Board as per requirement.
- 2.3.2. CSRC will initiate internal process to develop an Annual Action Plan and Budget (AAPB) in consultation with the implementing bodies to develop a CSR plan and also modify and finalize the same after Board approval, where required.
- 2.3.3. The CSRC will then entrust the responsibility of the execution of the CSR Plan within the specified budgets and time-frames to such persons or bodies, as it may deem fit.
- 2.3.4. The persons/bodies entrusted with the task will implement CSR activities as per the approved plans within the specified budgets and time-frames and report to the CSRC on the progress thereon at such frequency, as decided by the CSRC from time to time.
- 2.3.5. CSRC shall put internal monitoring mechanisms in place to track the progress of each project and monitor, review and evaluate the operations of the CSR Programmes at such frequency as it may deem fit to ensure orderly and efficient implementation of the CSR Programmes in accordance with the CSR Policy.
- 2.3.6. CSRC shall carry out external and independent assessment to review quality of process, project measures and impact at different stages of implementation, as it may deem fit.
- 2.3.7. CSRC shall meet at least twice a year to review the progress made by various persons and bodies, which are assigned task of implementation of CSR work.
- 2.3.8. At the end of every financial year, all entrusted bodies will submit annual report to the CSRC, which in turn collate and present before the Board.

2.4. Implementing and executing bodies

- 2.4.1. Samrat Pharmachem Limited has established a team of company executives who will continue to be the main CSR arm of Samrat Pharmachem Limited.
- 2.4.2. The team will be primarily responsible for implementation of the CSR programmes as per approved CSR plan through its Board Committee as well as through persons deputed by SPL at different locations, including work



Samrat Pharmachem Limited

Manufacturers & Exporters of Pharmaceutical Chemicals

and factory to carry out the CSR activities.

- 2.4.3. CSR activities within the Company will be carried out by the employees assigned for the task in consultation with Board Committee.

2.5. Organizational Structure for Programme Implementation

- 2.5.1. The operational structure of direct implementation of CSR programmes of the Company will be as follows:

2.5.1.1. The Corporate Social Responsibility Committee (CSRC) will be the highest body in the structure.

2.5.1.2. The CSRC will appoint Executive Management Committee (EMC) for the implementation of the CSR programmes.

2.5.1.3. The EMC will be responsible for development of organisational structure at the Centre, block and field level for effective implementation of the CSR programmes.

- 2.5.2. Regular internal monitoring, evaluation and documentation of the CSR programmes will be facilitated by Board Committees.

3. Strategies and implementation of CSR Programmes

3.1. Outreach strategy and principles

3.1.1. Triangular outreach strategy

SPL will adopt a three-sided strategy regarding its CSR operations.

- 3.1.1.1. CSR Activity for building model of specific location development:

SPL will continue to work in the areas, which it has already outreached and conducted CSR Activities for development approach. Here emphasis will be on evolving and establishing replicable, sustainable models of development.

- 3.1.1.2. CSR Activity near the Company operations:

Developmental work in the areas adjacent to the manufacturing plant & work-site Samrat Pharmachem Limited will be taken up. The size and scale of the operations will be decided according to the strategic needs and the situation of the locations through the CSRC approval mechanism. In this kind of CSR operations, aim will be to develop a replicable CSR model of engagement for areas near work-sites.



Samrat Pharmachem Limited

Manufacturers & Exporters of Pharmaceutical Chemicals

3.1.1.3. CSR activity within the Company:

CSR work will be initiated within the Company among the employees through awareness generation for volunteering, staff contribution of work for social causes, crisis and issues. This CSR operation will aim at increasing commitment of the employees for social causes and develop and nurture socially-responsible work-culture and environment within the Company.

3.2. ***Project-based Approach***

SPL will follow a project-based accountability approach to stress on the long-term sustainability of CSR projects, where its project design will have at least the following components:

- 3.2.1. Objectives,
- 3.2.2. Time frame,
- 3.2.3. Implementation strategy,
- 3.2.4. Action Plan,
- 3.2.5. Monitoring and Impact indicators,
- 3.2.6. Monitoring, Evaluation and Impact Assessment plan,
- 3.2.7. Documentation and communication plan and
- 3.2.8. Sustainability and exit plan.

3.3. ***Implementation Mechanism and Principles***

- 3.3.1. Implementation agencies
Primarily, SPL will implement and execute CSR programmes through internal implementing mechanisms. Where it is considered absolutely necessary, competent implementing partners from outside will be assigned the task of implementing CSR projects.
- 3.3.2. Participatory process
Effort will be to make implementation as much participatory as possible to enhance quality of the process and sustainability of the results.
- 3.3.3. Partnership policy
SPL will forge partnership with various entities to enhance quality of process, infuse technology, widen scale and maximize impacts.
- 3.3.4. Knowledge Partnership
In order to bring improved technology and innovation in the identified CSR programmes, partnerships may be formed with academic and technical institutes and expert agencies.



Samrat Pharmachem Limited

Manufacturers & Exporters of Pharmaceutical Chemicals

3.3.5. Funding Partnership

As per resource mobilization policy, partnerships will be forged with different contributors and donors from various segments to complement SPL's CSR grants.

3.3.6. Implementing partnership

For certain projects competent and professional organizations may be taken as implementing partners.

Implementing partner will have to fulfill the following criteria:

- i. The NGO / Agency has a permanent office / address in India;
- ii. The NGO is a registered society under the Societies' Registration Act;
- iii. Possesses a valid Income-tax Exemption Certificate; and
- iv. The antecedents of the NGO / Agency are verifiable/subject to confirmation.

3.3.7. Convergence

Initiatives of Central and State Governments, District Administration, Local Administration as well as different Government Departments, Agencies, banks, Self-Help Groups and other CBOs, would be dovetailed and synergized with the activities taken up by SPL under its CSR programmes.

3.4. ***Focus and major drives of CSR programmes***

3.4.1. The CSR Programmatic interventions of the Company will be designed within a framework congruent with the business philosophy of the organization. Obviously, as a pharmaceutical firm, there will be greater focus on the health sector. In this, Thyroid & Goiter eradication in both urban and rural areas will be an important objective of the CSR programmes.

3.4.2. As an innovation-led pharmaceutical company, the CSR programme interventions of the SPL will have greater component of induction, dissemination, extension or adoption of advanced and appropriate scientific inventions and technologies.

3.4.3. Based on the various objectives and focus of the CSR programmes, efforts will be made to have high impact in certain areas so that the CSR work of the Company instantly gets associated with certain activities with its impact and scale of operation. Identity and brand of the CSR programme will be evolved through large-scale implementation of:



Samrat Pharmachem Limited

Manufacturers & Exporters of Pharmaceutical Chemicals

- Skill Development
- Sustainable energy promotion
- Thyroid & Goiter eradication

3.5. CSR Programme areas and Sectors of interventions

3.5.1. Board Committee has evolved over the years certain Programme Areas and within those areas some 'sectors of interventions'. These have emerged through holistic development approach that was adopted by SPL.

3.5.2. CSR programmes will be undertaken by implementing and executing bodies to the best possible extent within the defined ambit of the identified programme areas and 'sectors of interventions'.

3.5.3. However, the CSR projects and activities will be planned and undertaken according to the need of the time and situation and will not be restricted and limited to these programmes and sectors of interventions. These identified programme areas and sectors of interventions will only provide broad framework for CSR activities to be initiated.

3.5.4. Board Programme Areas and Sectors of Interventions are as follows: *(List of projects or programmes that the Company plans to undertake and are falling within the Schedule VII of the Companies Act, 2013)*

Economic Development Programme

- Agriculture
- Animal Nutrition
- Rural Industries and Skill Development

Social Development Programme

- Education
- Women Empowerment
- Health including Awareness and treatment programmes of Thyroid & Goitre in rural and urban areas

Rural infrastructure Development Programme

- Rural Economic Housing
- Village inroads
- Civic amenities

Natural Resource Management Programme

- Land Development
- Water Resource Development
- Alternate Energy Development



Samrat Pharmachem Limited

Manufacturers & Exporters of Pharmaceutical Chemicals

Disaster response and management programme

- Disaster preparedness and prevention
- Relief operations
- Recovery measures
- Rehabilitation

Deeper and sustainable projects

- Hospitals Facilities & Equipment's,
- Universities and similar premier institutions facilities & teaching aid

Any other activities under Section 135 of the Companies Act, 2013

3.6. Process of implementation

- 3.6.1. Identification of CSR activities under identified programme areas and sectors of interventions at CSRC, work-site level will be undertaken through internal need-based assessment in consultation with local partners, and for specialized projects suitable external agencies may be hired, if required.
- 3.6.2. The preferable process of project or activity implementation will be as follows:
- Need Assessment
 - Baseline survey/ Feasibility study/ Detailed Project Report (DPR)
 - Project formulation and design
 - Project Execution within approved time-frame and cost-frames
 - Mid-term monitoring and course correction
 - Project closure
 - End line Survey/ Evaluation/ Impact Assessment
 - Documentation of practices, processes and impacts
 - Exit/ withdrawal and post project Plan
 - Learning and modification in design while replication.

3.7. Duration and scale of the programmes

- 3.7.1. The time period/duration over which a particular programme will be spread, will depend on its nature, extent of coverage and the intended impact of the programme.
- 3.7.2. The programmes will be classified as either be of long-term or of short-term nature according to their approved time duration.
- 3.7.3. Typically, long duration programmes will be of 1 to 3 years of time-frame.



Samrat Pharmachem Limited

Manufacturers & Exporters of Pharmaceutical Chemicals

- 3.7.4. Short duration programmes will have duration of one year or less.
- 3.7.5. Different programmes will have different scales according to the need of the design to have maximum impact within the cost and time- frame.
- 3.7.6. Each project schedule will have in place well-thought out exit plan, withdrawal strategy and sustainability plan right at the designing and planning stage itself.

4. Budgeting, Resource Allocation and Disbursement

4.1. Definition of CSR Expenditure

- 4.1.1. CSR expenditure will include all the expenditures, direct and indirect, incurred by the Company on CSR Programmes undertaken in accordance with the approved CSR Plan.
- 4.1.2. Moreover, any surplus arising from any CSR Programmes shall be used for CSR. Accordingly, any income, surplus or reserves arising from CSR Programmes will be netted off from the CSR expenditure and such net amount will be reported as CSR expenditure.

4.2. Approvals and disbursement

- 4.2.1. The Board-level CSRC will be the highest body to approve and disburse funds under the annual budget approved by the Board.
- 4.2.2. However, CSRC may delegate authority for approval to different bodies or persons at various levels and areas as it may deem fit for smooth and efficient fund flows to achieve maximum possible effectiveness in implementation.
- 4.2.3. The fund disbursement schedule and cash flow to implementing bodies at different levels will be planned and adhered to as per CSRC.



5. Review and Revision of the Policy

- 5.1. In case of any doubt with regard to any provision of the Policy and also in respect of matters not covered herein, a reference to be made to Corporate CSR Department. In all such matters, the interpretation and decision of the CSRC shall be final.
- 5.2. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the Guidelines on the subject, as may be issued from Government, from time to time.
- 5.3. The Company reserves the right to modify, cancel, add, or amend any of these Rules within the framework of relevant and applicable laws.

6. Reporting and Documentation

6.1. *Internal Reporting*

CSRC will establish mechanism for regular, timely reporting of implementing bodies at different levels and maintain real time dash-board to keep the status of each CSR programme.

6.2. *Documentation Mechanism and Plan*

Apart from earmarking percentage of budget for documentation of best practices, learning, process and impacts of each programme, efforts will be made to build in-house competency and mechanism of development communication for brand-building and visibility.

6.3. *Compliance Reporting*

Mechanism will be established to disclose relevant and required information inline with the CSR reporting guidelines. Efforts will be made to go beyond compliance and achieve GRI standards of reporting.

This CSR Policy was approved by the Board of Directors of Samrat Pharmachem Limited