

Corporate Social Responsibility (CSR) Policy
Of
Shiva Pharmachem limited

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PREAMBLE

Corporate Social Responsibility is a sense of responsibility of the company towards the community and environment both ecological and social. It is a commitment of the company towards enriching lives of local community and also the society at large in which it operates.

This Corporate Social Responsibility Policy comprises of the Company's Philosophy of operating its business in a socially responsible way and improving and developing the wealth of the business with the intention to improve society in which it operates as well as local community.

OBJECTIVE

In compliance with the prescribed legal frame work of Section 135 read with schedule VII and the CSR rules 2014, the Corporate Social Responsibility Committee of Shiva Pharmachem limited is being constituted and Corporate Social Responsibility Policy is being documented with an objective of:

- To operate the business in an economically, socially and environmentally sustainable manner with an intention to enhance the quality of life of the communities of the local area and areas in and around where our Company operates and society at large.
- To fulfill its roles of "Corporate Citizenship" by undertaking various Corporate Social Responsibility Programs and projects directly or indirectly.

DEFINITIONS:

1. "Act" means the Companies Act, 2013;
2. "Corporate Social Responsibility (CSR)" means and includes but is not limited to:
 - (i) Projects or programs relating to activities specified in Schedule VII to the Act or
 - (ii) Projects or programs relating to activities undertaken by the board of directors of a company (Board) in pursuance of recommendations of the CSR Committee of the Board as per declared CSR Policy of the company subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act.
3. "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.

4. "CSR Policy" relates to the activities to be undertaken by the company as specified in Schedule VII to the Act and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of a company):
5. "Net profit" means the net profit of a company as Per its financial statement 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, which are covered under and complying with the Provisions of section 135 of the Act:

Provided that net profit in respect of a financial year for which the relevant financial statements were prepared in accordance with the provisions of the Companies Act, 1956, shall not be required to be re-calculated in accordance with the provisions of the Act:

CSR ACTIVITIES:

The CSR activities of "Shiva Pharmachem Limited" will generally be in consonance with the Schedule VII of the Companies Act 2013, as under:-

- a) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh 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 able and livelihood enhancement projects.
- c) 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 arts and handicrafts.
- d) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

- e) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, 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.
- f) Measures for the benefit of armed forces veterans, war widows and their dependents.
- g) training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports.
- h) 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;
- i) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- j) Rural development projects."
- k) Slum area development.
- l) Disaster Management, including relief, rehabilitation and reconstruction activities.

The Following activities shall not form part of CSR activities of the Company:

- a) Activities undertaken by the Company in ordinary course of business.
- b) CSR programs or projects or activities that benefit only the employees of the company and their families.
- c) Contribution of any amount directly or indirectly to any political party under section 182 of the Companies Act 2013.
- d) Any CSR projects or programs or activities undertaken by the Company outside India.

CSR MAINSTAY:

1) SHIVA FOUNDATION-

“Shiva Foundation”, a Trust registered under Society Registration Act 1860, was established in 2014 and is Corporate Social Responsibility arm of Shiva Pharmachem limited. Shiva Foundation is established for undertaking activities which are generally in consonance with Schedule VII of the Companies Act 2013. Board of Directors of the Company on the recommendation of CSR Committee may decide to undertake its various CSR activities through Shiva Foundation.

CSR COMMITTEE:

The Board of Directors of the Company shall constitute the Corporate Social Responsibility Committee (CSR) in pursuance to the provisions of Section 135 of the Companies Act 2013 and the Rules made there under.

ROLE OF THE CSR COMMITTEE:

The CSR Committee shall, carry out the following functions:

- a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII.
- b) To recommend the amount of expenditure to be incurred on the CSR activities.
- c) To monitor the Corporate Social Responsibility Policy of the Company from time to time.
- d) The CSR Committee shall institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company.

ROLE OF THE BOARD:

- a) To approve the Corporate Social Responsibility Policy for the company after taking into account the recommendations made by the Corporate Social Responsibility Committee.
- b) To ensure that the activities as are included in Corporate Social Responsibility Policy of the Company are undertaken by the Company.
- c) To ensure that the Company spends, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years, calculated in accordance with Section 198 of the Act, in pursuance of its CSR Policy. Further it should ensure that the Company gives preference to the Local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities.
- d) The Board of the Company may decide to undertake its CSR activities approved by the CSR Committee, through a registered trust or a registered society or a company established under section 8 of the Act by the company, either singly or along with its holding or subsidiary or associate company, or along with any other company or holding or subsidiary or associate company of such other company, or otherwise, provided that if such trust, society, or company is not established by the company, either singly or along with its holding or subsidiary or associate company, or along with any other company or holding or subsidiary or associate company of such other company, it shall have an established track record of three years in undertaking similar programs or projects.
- e) The Board of the Company may also decide to collaborate with other companies for undertaking projects or programs or CSR activities in such manner that the CSR committee of the company is in a position to report separately on such projects or programs in accordance with the rules of Companies Act 2013.
- f) To specify the reasons for not spending the requisite CSR amount as required under Section 135 of the Companies Act 2013 in the Board's Report.

CSR EXPENDITURE:

CSR expenditure shall include all expenditure including contribution to corpus, the projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act.

The CSR projects or programs or activities undertaken in India only shall amount to CSR expenditure.

MONITORING & REPORTING:

In order to ensure effective implementation of the CSR activities, the CSR Committee will conduct in-depth review of the CSR activities of the Company on a periodic basis.

The Board's Report of the Company shall include an Annual Report as per the format specified under the Companies (Corporate Social Responsibility Policy) Rules 2014 containing the details of the CSR activities undertaken by the Company during the financial year.

DISCLOSURES ABOUT CSR POLICY:

The contents of Corporate Social Responsibility Policy as recommended by the CSR Committee and approved by the Board shall be disclosed in the Board Report and shall be displayed on the Company's website as well.

AMENDMENTS TO THE POLICY:

The Policy shall be updated from time to time, by the Company in accordance with the amendments, if any, to the Companies Act, 2013, rules made there under as may be issued by relevant statutory authorities from time to time.