

Corporate Social Responsibility Committee Members of Shiva Pharmachem Limited		
Sr. No.	Name of Members	Status in Committee
01	Mr. Rakesh Agrawal	Chairman
02	Mr. Vishal Agrawal	Member
01	Mr. Sivaraman Narayanaswami	Member

ANNUAL ACTION PLAN FOR F.Y. 2023-2024						
Annexure-A						
Sr. No.	Projects or programs	Activity under Schedule VII of the Companies Act 2013.	Budget	Implementation schedules	Manner of execution of Projects or Programmes	Details of need and impact assessment, if any
01	Projects or programs for promoting health care including preventing healthcare and eradicating hunger, poverty and malnutrition as well as sanitation and making available safe drinking water.	(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care” and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water	Rs. 25,00,000/-	During F.Y. 2023-2024	Either Directly or through Implementing agencies	Not Applicable
02	Projects or Programs for promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;	(ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Rs. 25,00,000/-	During F.Y. 2023-2024	Either Directly or through Implementing agencies	Not Applicable

03	Projects for rural development	(x) Rural Development Projects.	Rs. 15,00,000 /-	During F.Y. 2023-2024	Either Directly or through Implementing agencies	Not Applicable
04	Projects or Programs for 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.	(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.	Rs. 10,00,000 /-	During F.Y. 2023-2024		Not Applicable
05	Project titled “Art Galleries, Studios and Infrastructure for Protection of Art” which works for the protection of works of art and promotion and development of traditional arts.	(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;	Rs. 1,50,00,000/-	On or before 31 st March 2026.	Uttarayan Art Foundation- CSR Registration Number: CSR00011226 (implementing agency)	Not Applicable

Modalities of Utilization of Funds:

The above budgeted funds to be used in the projects or programs engaged in above mentioned activities as and when need arises during F.Y. 2023-2024 as approved by Board of Directors within the CSR policy of the Company and further the Board of Directors on recommendation of CSR Committee may revise the above budget amount during the financial year whenever the actual amount spent has exceeded or expected to exceed the budget amount as above.

Monitoring and Reporting Mechanism:

The Projects or Programs undertaken by the Company either directly or through implementing agencies shall be monitored by CSR Committee to ensure that the Projects or Programs undertaken are as per the CSR Projects or Programs approved by the Board of Directors and are as per the CSR Policy of the Company and further shall be reported to the Board of Directors of the Company for their review if required.

The Board may alter the above Annual Action Plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

SHIVA PHARMACHEM LIMITED
Corporate Social Responsibility (CSR) Policy

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1. 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.

2. 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.*

3. DEFINITIONS

1. **"Act"** means the Companies Act, 2013;
 2. **"Corporate Social Responsibility (CSR)"** means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely: -
 - (i) activities undertaken in pursuance of normal course of business of the company;
 - (ii) any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
 - (iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
 - (iv) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
 - (v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
 - (vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India;
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3. **"CSR Committee"** means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.

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4. **"CSR Policy"** means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;
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 in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381, read with section 198 of the Act;
6. **"Ongoing Project"** means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification;
7. **"Administrative overheads"** means the expenses incurred by the company for 'general management and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.

3. 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.

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f) Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows.

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 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 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.

For the purpose of Item No. K, the term "slum area" shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

l) Disaster Management, including relief, rehabilitation and reconstruction activities.

m) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

n) COVID-19-related activity in the normal course of business

This covers companies undertaking research and development into vaccines, medical devices, and drugs related to COVID-19, even if such activity is in their normal course of business. This exemption is allowed up to the financial year 2022-2023. However, the company must make separate disclosures in their annual report and must undertake such research and development in collaboration with an institute specified in Schedule VII of the act.

o) Acquisition or creation of a capital asset provided that it is not owned by the company

The asset created using CSR funds must be owned either by the organization supported, or the people served by the project (for instance, collectives such as self-help groups), or by a public authority.

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

(a) activities undertaken in pursuance of normal course of business of the company:

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- (b) any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- (c) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- (d) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- (e) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- (f) activities carried out for fulfilment of any other statutory obligations under any law in force in

4. 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.

5. 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 as specified in Schedule VII of the Companies Act and the rules made thereunder, monitor the implementation of the same from time to time and make any revisions therein as and when decided by the Board;
- (b) To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- (c) To review and recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
- (d) To formulate and recommend to the Board, an annual action plan in pursuance to the Corporate Social Responsibility Policy, which shall include the following, namely:
 - (i) the list of Corporate Social Responsibility projects or programmes that are approved to be undertaken in areas or subjects specified in the Schedule VII of the Companies Act, 2013;
 - (ii) the manner of execution of such projects or programmes as specified in Rule 4 of the Companies (Corporate Social Responsibility Policy) Rules, 2014;
 - (iii) the 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 by the company.

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Provided that the Board may alter such plan at any time during the financial year, as per the recommendations of the Corporate Social Responsibility Committee, based on the reasonable justification to that effect.

- (e) To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- (f) To review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and
- (g) To perform such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 or other applicable law.”

6. 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, 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 shall ensure that the CSR activities are 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, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and 80 G 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.

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7. Unspent CSR Funds:

- a) The Board shall ensure that any amount remaining unspent pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of this Corporate Social Responsibility Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount is spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.
- b) 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 and unless the unspent amount relates to any ongoing project, transfer such unspent amount to a Fund as specified in Schedule VII, within a period of six months of the expiry of the Financial Year.

8. CSR EXPENDITURE:

- (1) The board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.
- (2) Any surplus which is arising out of the CSR activities of the Company shall not form part of the business profit of a company and shall be ploughed back into the same project or it shall be transferred to the Unspent CSR Account and spent in pursuance of this CSR policy of the Company and annual action plan of the company or such surplus amount shall be to a Fund which is specified in Schedule VII, within a period of six months of the expiry of the financial year.
- (3) In case the company spends an amount in excess of requirement provided under sub-section (5) of section 135 of the Companies Act 2013, such excess amount may be set off by the Company against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that –
- (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities of the Company, if any
- (ii) the Board of Directors passes a resolution to that effect.
- (4) The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by –
- (a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number or
- (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- (c) a public authority:

9. CORPORATE SOCIAL RESPONSIBILITY 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 on CSR activities undertaken by the Company during the financial year.

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10. DISCLOSURES ABOUT CSR POLICY AND CSR ACTIVITIES:

The Corporate Social Responsibility Policy including CSR Committee and Projects approved by the Board of Directors of the Company shall be disclosed on the Company's website for the public to have access to it.

11. AMENDMENTS TO CSR 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.

12. Meeting of CSR Committee:

The meeting of the CSR Committee shall be held at such time and place as and when required.

13. Notice of Meeting:

- *Notice of the CSR Committee meeting will be given to the members before 7 days of the meeting containing date, time and place of the meeting along with list of business proposed to pass at the meeting.*
- *Shorter notice may be given for meeting with the consent of all members*

14. Quorum for CSR Committee:

Quorum for the meeting of CSR Committee shall be two members present during the meeting.

15. PROJECTS APPROVED BY THE BOARD OF DIRECTORS OF SHIVA PHARMACHEM LIMITED:

- *Project or Program for 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.*
- *Projects or programs on eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.*
- *Projects or Programs for promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.*
- *Projects or Programs for 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.*
- *Rural development projects.*

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- *Any other projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act as per the Annual Action Plan recommended by Corporate Social Responsibility Committee and approved by the Board of Directors of the Company.*

The above Projects or Programs shall be undertaken by the Company either Directly or through Implementing Agencies having registrations under Income Tax Act 1961 as required by the Law.

Effective Date: 03/04/2023

Amended Date: 09/06/2023