

**CORPORATE SOCIAL
RESPONSIBILITY POLICY
OF
CLARIS LIFESCIENCES LIMITED**

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CORPORATE SOCIAL RESPONSIBILITY POLICY

(As approved by Board of Directors in their meeting held on May 9, 2014)

CORPORATE SOCIAL RESPONSIBILITY (“CSR”) means and includes but is not limited to projects or programs relating to activities (the “**CSR Activities**”) specified in Schedule VII of the Companies Act, 2013 (hereinafter referred to as the “**Act**”) read with Section 135 of the Act; or such other projects or programs relating to activities undertaken by the Board of Directors of the Company in pursuance of the recommendations of the CSR Committee of the Board as per the declared CSR Policy of the Company.

PREAMBLE

The concept of CSR has gained prominence from all avenues. The Government and the organisations have realised that the Government alone will not be able to get success in its endeavor to uplift the poor, needy and down-trodden of the society. In view of the rapidly changing corporate environment, more functional autonomy, operational freedom, etc., Claris Lifesciences Limited (“**the Company**”) has adopted CSR as a strategic tool for sustainable growth. For the Company in the present context, CSR means not only investment of funds for social activity but also integration of business to contribute to sustainable economic development by working with employees, their families, the local community and society at large, to improve their lives in ways that are good for business and for development.

APPLICABILITY

As per Section 135 of the Act, every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board (the “**CSR Committee**”) consisting of three or more directors, out of which at least one director shall be an independent director.

CSR VISION STATEMENT & OBJECTIVE:

In alignment with vision of the Company, through its CSR initiatives, will continue to enhance value creation in the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote sustained growth for the society and community, in fulfillment of its role as *Socially Responsible Corporate*, with environmental concern.

The objective of the CSR Policy is to:

- Ensure an increased commitment at all levels in the organisation, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders.
- To directly or indirectly take up the programmes that benefits the communities in and around its work centre over a period of time, in enhancing the quality of life & economic well-being of the local populace.

- To generate through its CSR initiatives, a community goodwill and help reinforce a positive & socially responsible image as a corporate entity.
- To protect and safeguard environment and maintain ecological balance.
- To set a guiding principles for carrying out CSR Activities by the Company and also to set up process of execution, implementation and monitoring for the CSR activities to be undertaken by the Company.

OPERATION OF CSR ACTIVITIES

AREAS TO BE COVERED

The poor and needy section of the Society living in different parts of India would normally be covered. However, CSR should be broadly executed within the State/ States in which the plants and offices of the Company as well as plants and offices of the Subsidiary and Joint Venture Company is existing. CSR may be executed in other States also.

FUNDING FOR CSR ACTIVITIES

For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, the Company will allocate/ spend 2% of the average Net Profits of the Company made during the three immediately preceding financial years, as its Annual CSR Budget.

The "Net Profit" means Net profit of the Company as per the Standalone Financial Statements prepared in accordance with the applicable provisions of the Companies Act. However, it shall not include the following namely:

- i) Any profit arising from any overseas branch or branches of the Company, whether operates 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.

Any unspent/ Unutilised CSR allocation of a particular year, will be carried forward to the following year, i.e. the CSR budget will be Non-Lapsable in nature. Further, any surplus arising out of CSR Activities shall not form part of the business profit of the Company and same shall be spent for undertaking any above mentioned CSR Activities only.

SCOPE/ ALLOCATION

From the Annual CSR Budget so allocated, the amount will be spent towards the following expenditure heads on a year on year basis, namely:

- i. To promote and provide Education
- ii. Empowerment of women for education/ health & self-employment
- iii. Reducing the child mortality and improving maternal health
- iv. Eradicating extreme hunger and poverty
- v. Water Supply including Drinking Water

- vi. Health care by providing indoor medical facilities and medicines
- vii. Social empowerment
- viii. Protect and safeguard environment and maintain ecological balance
- ix. Infrastructure for village electricity / solar light / windmill etc. (Recurring expenditure shall be borne by the beneficiary)
- x. Sports and Cultural activities.
- xi. Generation of employment and providing employment enhancing skills/ training and to provide infrastructure support
- xii. Grant/ donation/ financial assistance/ sponsorship for reputed NGOs of the Society/ locality doing/ involved in upliftment of the standard of the Society.
- xiii. Relief of victims and Natural Calamities like earth quake, cyclone, draught and flood situation in any part of the country.
- xiv. Disaster management activities
- xv. Collection of old cloths from the employees and distribution in the nearby village
- xvi. Adoption of village or otherwise carrying out the activities like infrastructural development e.g. road, water supply, electricity and community centre etc.
- xvii. Any other activities in relation to the above and all other activities which forms part of CSR as per Schedule VII of the Act as amended from time to time.

The above list is illustrative and not exhaustive. The Managing Director and Whole-Time Directors of the Company shall be authorised to consider CSR Activities not falling in this list. The activities will be specific on the need assessed for the people. All the activities under CSR Activities should be environment friendly and socially acceptable to the local people and society.

IMPLEMENTATION OF CSR ACTIVITIES

The Company may undertake CSR Activities through itself or through a registered trust or society or any company, established by the Company, its holding or subsidiary company under Section 8 of the Act for such non-for-profit objectives. Alternatively, the Company may collaborate with any other company for undertaking the CSR Activities.

The Company may build CSR capabilities of its personnel as well as those of implementing agencies through institutions with established track records of at least three financial years.

The Company may undertake CSR Activities by way of helping needy individual and/ or Group of Individuals.

Salaries paid by the Company to regular CSR staff as well as to volunteers of the Company (in proportion to Company's time/ hours spent specifically on CSR) shall be factored into CSR project cost as part of the CSR expenditure.

The Company shall not make any payment directly or indirectly to Political party(ies) for CSR Activities.

MONITORING

The Board of Directors shall formulate CSR Committee consisting of atleast three members amongst them who shall be responsible for monitoring the CSR activities of the Company. Chairman of such Committee shall be an independent Director Only.

The members of CSR Committee may delegate their powers to such other Directors/ Officers of the Company whom they think are capable of spending the CSR amounts in the activities listed as CSR Activities.

The review report on the CSR Activities undertaken by the Company shall be placed before the Board of Directors periodically and yearly report shall be approved by the Board of Directors in their meeting.

It shall include separate reporting in the Annual Report on the implementation of CSR Activities/ projects.

PROCEDURE FOR CSR ACTIVITIES

The CSR Committee shall recommend to the Board the CSR Activities to be undertaken for the financial year along with the detailed plan, modalities of execution, implementation schedule, monitoring process and amount to be incurred on such activities. The Board shall give its approval based on the recommendation of the CSR Committee and in compliance of this Policy.

The Committee, after approval, shall submit the half-yearly report giving status of the CSR Activities undertaken, expenditure incurred and such other details as may be required the Board.

ROLE OF THE COMMITTEE

The Committee shall carry out of the following functions:

- (a) Recommend the CSR Policy to the Board;
- (b) Identify the projects/activities to be undertaken by the Company for CSR;
- (c) Recommend to the Board CSR Activities to be undertaken along with detailed plan, modalities of execution, implementation schedule, monitoring process and amount to be incurred on such activities;
- (d) Monitor the CSR Policy of the Company from time to time;
- (e) Ensure compliance of CSR Policy;
- (f) Such other functions as may be delegated by the Board from time to time.

REPORTING OF CSR ACTIVITIES

Annual Audit of all the activities undertaken by the Company would be done by the Statutory Auditors of the Company. The report on CSR Activities will be included in the Board's Report and the same will be signed by the Managing Director as well as Chairman of the CSR Committee.

The CSR Committee or any other person so authorised by such committee can anytime inspect all the activities and report the same to the Board of Directors for their information, record and further actions.

GENERAL

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 Managing Director or the Secretarial Department of the Company. In all such matters, the interpretation & decision of the Managing Director shall be final.

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.

The Board of Directors of the Company reserves the right to review the policy from time to time based on changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary.

Words and expressions used and not defined in this Policy shall have the same meanings respectively assigned to them in the Act and the relevant Rules made thereunder.
