

# **INNOVA CAPTAB LIMITED**

## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

<i>Approving Authority</i>	<i>Board of Directors of the Company</i>
<i>Version</i>	<i>2.0</i>
<i>Adopted and Approved</i>	<i>19 June 2022</i>

Innova Captab Limited is a pharmaceutical company engaged in Research & Development, Manufacturing, Marketing and sale of finished formulations across the world. We are committed to develop, manufacture and deliver world-class products in Branded, Branded Generics and as CMO service provider. Innova offers high-quality yet affordable medicines for most of the diseases addressing unmet needs in many parts of the world. We have gradually reached to a comprehensive portfolio of over 500 products with state of art manufacturing units approved by WHO- GMP, EU(GMP), and around 20 other leading international regulatory authorities. Innova supplies its products and services to different countries.

**A. INNOVA CAPTAB'S PHILOSOPHY:**

Innova Captab have always believed that we exist to benefit the entire ecosystem, of which we are an integral part. We firmly believe that we belong to an interdependent ecosystem comprising Shareholders, Consumers, Associates, Employees, Government, Environment and Society and that we have a commitment to all these stakeholders.

We believe that economic value and social value are interlinked. A firm creates economic value by creating social value – by playing a role in making a difference to the lives of its key stakeholders. Furthermore, a firm cannot do this in isolation; it needs the support and participation of other constituents of the ecosystem. Sustainability comes from win-win partnerships in the ecosystem.

The Government has notified various initiatives that qualify to be CSR for the purpose of the mandatory spend applicable to companies. The CSR initiatives of Innova Captab thus, for the purpose of such mandatory spend would exclude the benefits made by the Company exclusively or predominantly to its employees, shareholders, investors, creditors and business partners.

**B. OBJECTIVE:**

This Policy has been formulated in compliance with Section 135 of the Companies Act, 2013 read along with the applicable rules thereto.

Innova Captab's CSR policy intends to:

- Strive for economic development that positively impacts the society at large with minimal resource footprint.
- Embrace responsibility for the Company's actions and encourage a positive impact through its activities and contributions towards social and economic development of the communities in which we operate and building a better & sustainable way of life for the weaker sections of the society.
- Promotes Community Health Care including preventive healthcare improve critical nutritional & health status of at-risk population of the society and making quality healthcare accessible and affordable for all.

This Policy will serve as a guiding document containing the approach and direction given by the Board, taking into account the recommendations of CSR Committee, defining the guiding principles for selection, implementation and monitoring of CSR Activities as well as formulation of annual action plan.

**C. INNOVA CAPTAB'S VISION:**

*"To improve the quality of life of the communities in which we operate and in doing so to build a better and sustainable way of life for the weaker sections of society."*

**D. COMPOSITION OF CSR COMMITTEE:**

The CSR Committee shall comprise of three or more directors, including at least one independent director and shall be in accordance with the requirements of the Companies Act, 2013 and the Rules made thereunder.

S. No.	Name of the Member	Designation in Committee
1.	Vinay Kumar Lohariwala	Chairman
2.	Manoj Kumar Lohariwala	Member
3.	Sudhir Bassi	Member

**E. ROLES AND RESPONSIBILITY OF THE COMMITTEE:**

The roles and responsibilities of the CSR Committee include:

- Formulating and recommending to the Board of Directors the CSR Policy and the annual action plan in pursuance of its CSR Policy.
- Recommending the amount of expenditure for the CSR activities.
- Monitoring CSR Activities from time to time.
- Any other matter/thing as may be considered expedient by the Members of the Committee in furtherance of and to comply with the CSR Policy of the Company.

**F. LOCATION OF CSR ACTIVITIES:**

The CSR Committee will decide on the Locations for CSR activities.

**G. INNOVA CAPTAB'S CSR POLICY:**

Innova Captab has identified following areas for CSR activities:

***Education:***

One of the most significant indicators of social progress is education, which also plays a decisive role for a society to achieve self-sustainable and equal development. With an increasing global realization of how business community can (and should) contribute to social objectives, education deserves a higher level of corporate involvement than status quo. While the definition of education is broad, involving multiple levels and largely differs among countries of different development levels, the Company chooses to focus on the primary education issues, which has tight links with entire social progress and poverty reduction.

The Company proposes to give his support and invest his time and funds in achieving the following:

- a. Formal schools;
- b. Quality primary education;
- c. Girl child education;
- d. Health and Nutrition for children and
- e. Basic Infrastructure to Schools/ Colleges. Provide grants to various colleges in India for improving their infrastructure. Sponsor computers, chairs, laboratory equipment's, books for library and create endowment funds for the colleges/universities to assist students with their studies.

### ***Community Health Care:***

There are numerous epidemic diseases and other serious diseases in the world which needs close attention, both from public sector and private sector (i.e. HIV/AIDS, Avian Influenza, Covid etc.). For the authorities to take strong measures and keep the diseases under control, critical amount of resource is essential.

This is where our role and support is required. The Company's goal is to render quality health care facilities to under privileged class of the society and people living in the villages by opening Medical Centers, Health care for visually impaired, setting up health camps, health and immunization awareness programme and other medical aids.

### ***Environment Initiatives for the Community:***

The Company focuses on elimination of waste, maximizing energy efficiency and productivity and minimizing practices that may adversely affect use of natural resources by coming generations.

The Company also aims at undertaking afforestation/Social Forestry, other welfare activities etc. and to conserve natural resources and energy by minimizing their consumption and wastage. It also intends to organize and arrange training programs for the public at large for making them understand the need and necessity to save the environment for human good and to also to make them know about the efficient and effective utilization of resources which are very scarce in nature. Environment friendly business practices can reduce business risk, improve reputation, and drive market opportunities. The Company aims to provide monetary donations and aid to non-profit organizations and communities in areas such as the arts, education, housing, health, social welfare and the environment, among others, but excluding political contributions and commercial event sponsorship. The Company aims to produce environment- friendly, ecological, and non-harmful products.

### ***Livelihood Support Program:***

In Sustainable Livelihood the company aims at setting up old age homes and providing livelihood in a locally appropriate and environment sustainable manner through the self-help group (SHG) program for women and youth generation in order to enhance their quality life while being "self- sustaining" to support their families.

## **H. GOVERNANCE:**

Overall governance of CSR and approving the CSR Policy will be the responsibility of the Board through the CSR Committee.

1. The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy,

2. The Board shall ensure proper implementation of the CSR Policy along with monitoring and reviewing CSR Activities undertaken by the Company and provide inputs as and when required.
3. The Board shall satisfy itself that the CSR funds so disbursed are aligned to the CSR Policy of the Company and have been utilized for the purposes and in the manner approved by it. The Chief Financial Officer is appropriate authority as may be determined by the Board of Directors shall certify the same to the effect.
4. The Board shall also ensure appropriate disclosures pursuant to the Act and Amendments thereof in the Annual Report and Company's Website in prescribed formats.
5. In case of ongoing project, as defined under the Companies (CSR Policy) Amendment Rules 2021, the Board of a Company 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.

The CSR Committee will be responsible for administering and executing the policy. As the Company's CSR activities evolve further, the policy may be revised with the approval of the Board as per the recommendations CSR Committee of the Board.

#### **I. CSR ANNUAL ACTION PLAN**

The CSR Committee shall formulate and recommend to the Board of Directors, a CSR Annual Action Plan in pursuance of this Policy, which shall include focus areas for the year, the list of projects to be undertaken, manner of execution, fund utilization, monitoring mechanism, etc.

The Board of Directors may approve the Annual Action Plan with such further conditions as it deems fit and further alter Annual Action Plan at any time during the financial year, as per the recommendation of the CSR Committee, based on the reasonable justification to that effect.

#### **I. FUND ALLOCATION:**

##### **1. CSR Funds**

The corpus for the purpose of carrying on the aforesaid activities would include the followings:

- i. 2% of the average Net Profits of the Company made during the three immediately preceding Financial Years (calculated in accordance with the provisions of Section 198, excluding any profit arising from any overseas branch or branches in the Company, whether operated as a Separate Company or otherwise);
- ii. Any income arising there from; and
- iii. Surplus arising out of the CSR activities carried out by the Company and such surplus shall not form a part of the business profit of the Company.

## 2. CSR Expenditure

- i. Administrative overheads shall not exceed five percent of the total CSR Expenditure of the Company for any financial year (or such expenditure as may be prescribed by law from time to time)
- ii. Any surplus arising out of the CSR projects or programs shall not form part of the business profit of the Company and shall be treated as follows:
  - a. ploughed back into the same project; or
  - b. shall be transferred to the Unspent CSR Account and spent in pursuance of this CSR policy and annual action plan of the Company; or
  - c. Transferred to a fund specified in Schedule VII, within the prescribed timelines as Specified in the CSR Rules.
- iii. Any unspent amount shall be reported by the Board in its report specifying the reasons for not spending the amount and shall be dealt with in accordance to Section 135 of the Act and rules under Amendments thereof.
- iv. Where the Company spends an amount in excess of the requirement provided under Section 135 of the Act, such excess amount shall be set off against the requirement to spend under Section 135 of the Act, up to immediate succeeding three financial years subject to the conditions that:
  - a. the excess amount available for set off shall not include the surplus arising out of the CSR activities; and
  - b. the Board of the Company shall pass a resolution to that effect.

“**Unspent CSR Account**” refers to an account opened as such by the Company with its Bank to transfer the amount remaining unspent at the end of Financial Year which relates to an ongoing project.

### **K. SELECTION, IMPLEMENTATION AND MONITORING OF CSR ACTIVITIES:**

The Board shall ensure that the CSR Activities are undertaken by the Company itself (Directly) with the involvement of various Company employees / units or indirectly through implementing agencies like NGO's, Trusts, Societies, Section 8/ Section 25 companies or through collaboration projects with other corporates as eligible under the act and amendments thereof.

The CSR committee will be responsible for the monitoring of various CSR Projects, Programs or Activities undertaken by the Company directly or indirectly. The Committee shall ensure that CSR Projects, Programs or Activities:

- i. are undertaken as provided in the CSR Policy and are implemented as approved by the Board
- ii. the budget allocated is utilized as per the approved plans
- iii. the objectives are achieved in consonance with this policy

The Company shall undertake impact assessment of its projects/ programs/ activities proposed to be undertaken by the Company. The Company shall undertake impact assessment of its CSR projects, if any, through an independent agency, of the CSR projects having an outlay of one crore or more, and which have been completed not less than one year before the impact study. The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

#### **L. DISQUALIFYING ACTIVITIES FOR CSR**

1. Activities that are undertaken by the Company in pursuance of its normal course of business will not be considered as CSR activities.
2. The CSR Rules disqualifies the CSR projects and programs that are implemented by the Company for benefit of the employees of the Company and their families.
3. The CSR activities implemented outside India also fall outside the purview of the Rules and hence CSR expenditure on such activities will not be considered for inclusion in the CSR Report.
4. Any amount directly or indirectly contributed towards any political party under Section 182 of the Act shall not be considered as CSR Spend.

#### **M. IMPACT ASSESSMENT**

Following key steps will be taken by CSR team to assess the impact of CSR activities:-

**Assessment of Needs:** Prior to undertaking a CSR project, Company will conduct an unbiased needs assessment in that area, in order to ascertain the specific needs, problems and relevant solutions from the community perspective, as also gain an understanding from the perspectives of the village authorities, school, health officials and the society at large.

**Baseline statistics:** The Company will ensure that baseline statistics are collected before each program is rolled out and data is collected on an ongoing basis to track impact. As a first step, to assess the impact of CSR activities, there is a need to establish the base. This base establishment will help the company to see the changes after intervening in a specific area. Baseline Survey can be undertaken by an expert agency to assess the needs as well as establish the baseline information and statistics so as to allow a comparison of the 'then' and 'now' situation in the future. This will clearly show the 'impact' the project has created.



**N. DISCLOSURES:**

This Policy, composition of CSR Committee and projects approved by the Board will be posted on the Company's corporate website.

In the event of any inconsistency between this Policy and the applicable laws, the applicable laws will prevail. This Policy will be reviewed by the Board, on the recommendation of the CSR Committee, as and when deemed necessary.

