

Corporate Social Responsibility Policy

Par Drugs And Chemicals Limited

❖ Preface

Corporate Social Responsibility (CSR) is the way and mean through which corporates can repay the obligations made by the Society by contributing the resources in its various forms as required for the efficient operation of the Business. Corporate Social Responsibility is strongly connected with the principles of sustainability. Organization should make decisions based not only on financial or operational factors, but also on the social and environmental consequences. Therefore, it is the core corporate responsibility of Par drugs and Chemicals Limited (hereinafter called "the Company") to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders.

❖ Philosophy

Recognizing that business enterprises are economic organs of society and draw on societal resources, it is Company's belief that its performance must be measured by its Triple Bottom Line contribution to building economic, social and environmental capital towards enhancing societal sustainability. Company believes that in the strategic context of business, enterprises possess beyond mere financial resources, the transformational capacity to create game-changing development models by unleashing their power of entrepreneurial vitality, innovation and creativity. In line with this belief, company will continue crafting unique models to generate livelihoods and environmental capital. Such Corporate Social Responsibility ("CSR") projects are far more replicable, scalable and sustainable, with a significant multiplier impact on sustainable livelihood creation and environmental replenishment. These initiatives are independent of the normal conduct of Company's business. Programmes, projects and activities (collectively "CSR Programmes") carried out in this regard are the subject matter of this Policy.

❖ Objective and Purpose

The key purpose of this Policy is to:

- Define governance structure for CSR management within the Company.
- Serve as a guiding document aiding in identification, execution and monitoring the CSR projects.
- Describe the treatment of surpluses from CSR activities
- Outline the development areas in which the Company shall get involved in

❖ Scope of CSR Policy

This Policy applies to all CSR projects that will be undertaken by the Company and shall fulfill all the requirements of Section 135 of the Companies Act, 2013. The Company shall ensure all these activities are over and above the normal course of business and are in line with Schedule VII of the Companies Act, 2013. This Policy will be periodically reviewed and updated in line with the relevant codes of legislation and best practices that can be adopted by the Company.

❖ CSR Policy:

It is Company's policy to direct Company's CSR Programmes, inter alia, towards achieving one or more of the following:

(1) To promote education –

- (a) By way of promoting digital literacy in the rural villages around Bhavnagar, Gujarat or within the state of Gujarat especially in the primary schools, government Institutes etc. by Contributing towards innovative learning, technical assistance with latest equipments like computers, projectors, Interactive flat panel, building or development of digital class etc. and help students to learn in facilitative environment;

- (b) Offering scholarships to the students of collages/universities for supplying study materials, instruments for practical experiments, arranging Industry visit at our Company etc. as we endeavor to support education initiatives and give wings to students' dreams especially to the students of Masters.
 - (c) Offering scholarship to the PHD students for helping them viz their research and producing a thesis of their specialization.
 - (d) Any other educational activities for the promotion & development of education sector as deemed fit which will fall within the CSR activities as per Companies Act, 2013.
- (2) To promote health care including preventive health care and sanitation in the local areas nearer to the factory site of the company and such other areas as may be determined by the CSR committee.
 - (3) To promote health care by way of contributions to PM CARES Fund, State Disaster Management Authority to combat COVID-19 or any other fund set up by the government and spending CSR funds for COVID-19 related activities etc.
 - (4) To undertake any of the CSR activities as prescribed under Schedule VII of the Companies Act, 2013.

❖ Implementation:

To implement the Company's CSR Programmes through Company personnel or through external implementing agencies or through Trusts, Society and Section 8 companies that may be established by the Company from time to time. In such cases, the Company will specify the CSR Programmes which may be undertaken by those Trusts in accordance with their Objects and administrative and accounting processes laid down in the respective Trust Deeds/Memorandum and Articles of Association.

❖ Governance:

1. Every year, the CSR Committee will place for the Board's approval, a CSR Plan delineating the CSR Programmes to be carried out during the financial year and the specified budgets thereof. The Board will consider and approve the CSR Plan with any modification that may be deemed necessary.

2. The CSR Committee will assign the task of implementation of the CSR Plan within specified budgets and timeframes to such persons or bodies as it may deem fit.
3. The persons/bodies to which the implementation is assigned will carry out such CSR Programmes as determined by the CSR Committee within the specified budgets and timeframes and report back to the CSR Committee on the progress thereon at such frequency as the CSR Committee may direct.
4. The CSR Committee shall review the implementation of the CSR Programmes once in every six months and issue necessary directions from time to time to ensure orderly and efficient execution of the CSR Programmes in accordance with this Policy.
5. At the end of every financial year, the CSR Committee will submit its report to the Board.

❖ CSR Expenditure:

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

FOR, PAR DRUGS AND CHEMICALS LIMITED

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(Falgun V. Savani)
Managing Director