

## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

1st Revision: 11<sup>th</sup> February,2021

### **PREAMBLE**

Social and environmental responsibility has always been at the forefront of Coral Laboratories Limited and as a result the Company consistently contributes to socially responsible activities, Corporate Social Responsibility (CSR). As a responsible corporate citizen, we try to contribute for Social and environmental causes on a regular basis. We believe that to succeed, an organization must maintain highest standards of corporate behavior towards its employees, consumers and societies in which it operates, we are of the opinion that CSR underlines the objective of bringing about a difference and adding value in our stakeholder's lives.

Coral's Corporate Social Responsibility Policy is rooted in the Company's core values of quality, reliability and best practices, and driven by our aspiration for excellence in the overall performance of our business.

With the promulgation of the Companies Act, 2013 (Act) on September 2013 and the notification of Section135 of the Act read within Schedule VII to the Act, dealing with the aspect of corporate social responsibility as also of the Rules laid down to such effect to the Act, which have come into force on the 1<sup>st</sup> day of April,2014(the CSR Rules),it has become mandatory for the corporate entities falling with the purview of the limits as to Net worth, Turnover or Profitability as laid down in the said section read with the CSR Rules, to undertake any one or more of the activities as laid down there under, towards the discharge of their responsibility towards the society in general(the "Corporate Social Responsibility" or briefly "CSR").

As per the recent amendment in Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, effective from 22nd January, 2021, CSR Contribution has been made Mandatory from Voluntary.

In the context of above, in compliance with the provisions of the Companies Act and Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the Board of Directors of Coral Laboratories Limited have adopted this revised CSR Policy ('the Policy') on February 11, 2021.

The Company being a corporate entity falling within the purview of Section135 of the Act read with CSR Rules, the Committee constituted by the Board of Directors of the Company ("Board"), has in exercise of its authority and discharge of its responsibility, formulated a CSR Policy, which has been approved by the Board as the Corporate Social Responsibility Policy of the Company, elaborated as under:

### **DEFINITIONS**

1. "Act" means the Companies Act, 2013 (18 of 2013);

**2. “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. “Company”:** means Coral Laboratories Limited

**4. “Corporate Social Responsibility Activities” (CSR Activities):** 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: Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that-

(a) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;

(b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board’s Report;

(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;

**5. “CSR Committee”** means the Corporate Social Responsibility Committee as constituted for the purpose, by the Board of Directors of the Company referred to in section 135 of the Act;

**6. “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.

**7. "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;

**8. "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.

**9. "International Organisation"** means an organisation notified by the Central Government as an international organisation under section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), to which the provisions of the Schedule to the said Act apply;

**10. "Public Authority"** means 'Public Authority' as defined in clause (h) of section 2 of the Right to Information Act, 2005 (22 of 2005);

### **FUNCTIONING OF THE COMMITTEE**

The Committee towards effectuation and implementation of the CSR Activities shall identify and recommend the specific CSR activity (ies) to the Board of Directors of the Company (Board) for its consideration and approval. Based on the approval of the Board, required funds shall be infused into the Board approved CSR activities. The same shall constitute the CSR Contribution of the Company for the relevant financial year.

The Committee shall institute a transparent monitoring mechanism for implementation of the CSR activities, towards which end, progress updates on CSR activities undertaken, shall be submitted to the Board, from time to time.

The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-

- (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- (b) the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4;
- (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- (d) monitoring and reporting mechanism for the projects or programmes; and
- (e) details of need and impact assessment, if any, for the projects undertaken by the company;

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.”

### **CSR CONTRIBUTION**

The contribution by the Company in any financial year towards CSR Activities shall be a minimum of 2% of its average Net Profits for three immediately preceding financial years.

### **CSR IMPLEMENTATION**

(1) The Board 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,

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.

(2) A company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR.

(3) A company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with these rules.

(4) The Board of a company shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.

(5) In case of ongoing project, 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.”

### **UNIQUE CSR REGISTRATION NO:**

(2) (a) Every entity, covered under sub-rule (1), who intends to undertake any CSR activity, shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar, with effect from the 01<sup>st</sup> day of April 2021:

Provided that the provisions of this sub-rule shall not affect the CSR projects or programmes approved prior to the 01<sup>st</sup> day of April 2021.

(b) Form CSR-1 shall be signed and submitted electronically by the entity and shall be verified digitally by a Chartered Accountant in practice or a Company Secretary in practice or a Cost Accountant in practice.

(c) On the submission of the Form CSR-1 on the portal, a unique CSR Registration Number shall be generated by the system automatically.

## **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 arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

(3) Where a company spends an amount in excess of requirement provided under sub-section (5) of section 135, such excess amount may be set off 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, if any, in pursuance of sub-rule (2) of this rule.

(ii) the Board of the company shall pass 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 under sub-rule (2) of rule 4; or

(b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or (c) a public authority: Provided that any capital asset created by a company prior to the commencement of the Companies

(Corporate Social Responsibility Policy) Amendment Rules, 2021, shall within a period of one hundred and eighty days from such commencement comply with the requirement of this rule, which may be extended by a further period of not more than ninety days with the approval of the Board based on reasonable justification.

## **CSR REPORTING**

(1) The Board's Report of a company covered under these rules pertaining to any financial year shall include an annual report on CSR containing particulars specified in Annexure I or Annexure II, as applicable.

(2) In case of a foreign company, the balance sheet filed under clause (b) of sub-section (1) of section 381 of the Act, shall contain an annual report on CSR containing particulars specified in Annexure I or Annexure II, as applicable.

(3) (a) Every company having average CSR obligation of ten crore rupees or more in pursuance of subsection(5) of section 135 of the Act, in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.

(b) The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

(c) A Company undertaking impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.”

### **TREATMENT OF SURPLUS ARISING OUT OF CSR ACTIVITIES**

Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

### **TRANSFER OF UNSPENT CSR AMOUNT**

If the Company fails to spend 2% of the Average net profit towards CSR, then it has to transfer such unspent amount to a Fund specified in Schedule VII of the Act.

Until a fund is specified in Schedule VII for the purposes of subsection (5) and (6) of section 135 of the Act, the unspent CSR amount, if any, shall be transferred by the company to any fund included in schedule VII of the Act.”

### **DISPLAY OF CSR ACTIVITIES ON ITS WEBSITE.**

The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.

### **OVERALL IMPROVEMENT IN FUNCTIONING AND IN DISCHARGE OF CSR**

The Committee shall from time to time explore the ways and means whereby improvements that need to be brought about towards the discharge of CSR by the Company are identified and steps taken to ensure that measures necessary to effectuate the areas of improvement so identified are taken in the right earnest.

### **GENERAL**

Any term or aspect not specifically defined or set out in this Policy shall be construed to mean what is laid down in respect thereof under the Act or the CSR Rules.

“ANNEXURE -II  
 FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES  
 TO BE INCLUDED IN THE BOARD’S REPORT FOR FINANCIAL  
 YEAR COMMENCING ON OR AFTER 1<sup>ST</sup> DAY OF APRIL, 2020

1. Brief outline on CSR Policy of the Company.
2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

- 5.

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
1			
2			
3			
	<b>TOTAL</b>		

6. Average net profit of the company as per section 135(5).
7. (a) Two percent of average net profit of the company as per section 135(5)
  - (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.
  - (c) Amount required to be set off for the financial year,

if any

(d) Total CSR obligation for the financial year (7a+7b-7c).

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.

(b) Details of CSR amount spent against **ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Agency	
				State.	District.						Name	CSR Registration number.
1.												
2.												
3.												
	TOTAL											

(c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.									
2.									
3.									
	TOTAL								

- (d) Amount spent in Administrative Overheads
- (e) Amount spent on Impact Assessment, if applicable
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e)

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer.	
1.							
2.							
3.							
	TOTAL						

(b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
1.								
2.								
3.								
	TOTAL							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year **(asset-wise details).**

- Date of creation or acquisition of the capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Sd/-  
(Chief Executive Officer or  
Managing Director or Director).

Sd/-  
(Chairman CSR Committee).

Sd/-  
[Person specified under clause (d)  
of sub-section (1) of section 380 of the  
the Act]  
(Wherever applicable).