



**Psychotropics
India
Limited**

CORPORATE SOCIAL RESPONSIBILITY POLICY

(As approved by the Board of Directors on 22.12.2014)



CORPORATE SOCIAL RESPONSIBILITY POLICY

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PREAMBLE

Psychotropics India Limited is committed to operate and grow its business in a socially responsible way with a vision to be an environmental friendly corporate citizen. Social service, ecological balance and environmental protection are in the major elements of Company's CSR policy. The Company continues to support several community welfare, health and educational activities, both directly and through trusts, by providing healthcare education, improvement of community infrastructure, scholarships, etc. We firmly believe that to succeed, an organization must maintain highest standards of corporate behavior towards its investors, stakeholders, employees and societies in which it operates.

APPLICABILITY

The Corporate Social Responsibility (CSR) Policy of **Psychotropics India Limited** ("Company") has been framed and made applicable in accordance with section 135 of the Act read with the Rules.

The Policy shall apply to the CSR Committee and all CSR projects/ programmes undertaken by the Company in accordance with Schedule VII of the Act.

VISION STATEMENT

Improve quality of life for all our communities through integrated and sustainable development in every possible way.

CONSTITUTION OF CSR COMMITTEE

In terms of section 135 of the Companies Act, 2013 and the Rules made there under, Board of Directors of the Company at its meeting held on 22nd December, 2014 has constituted a CSR Committee and the following are its members;

Sr. No.	Name	Status	Designation
1.	Mr. Navdeep Chawla	Chairperson/WTD	Chairman
2.	Mr. Siddharth Chawla	Managing Director	Member
3.	Mr. Satish Dev Jain	Independent Director	Member

The CSR Committee to, inter alia, 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, 2013 and the rules made thereunder.
- b. To recommend the amount of expenditure to be incurred on the CSR activities.
- c. To monitor the implementation of framework of CSR Policy.
- d. To carry out any other function as mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable, necessary or appropriate for performance of its duties.

THRUST AREAS

While we strive to undertake all or any suitable activity as specified in Schedule VII to the Act, currently, we focus to support and implement the following activities as our thrust areas;

- a. Creating awareness on health, providing easy access of medical support to vulnerable communities, providing emergency medical care, preventive health care, sanitization and safe drinking water.
- b. Promoting education to the under privileged children, supporting socially backward people and helping the differently abled people.
- c. Ensuring environmental sustainability, ecological balance, protection of flora and fauna and conservation of natural resources.

- d. Rural Development Projects, promoting gender equality and empowering women.
- e. Supporting NGOs & trusts for conducting various programmes/activities.
- f. Any other permissible activity under Schedule VII of the Act.

IMPLEMENTATION

This CSR Policy will be implemented from the succeeding year of a Financial Year in which the Company shows the net profits as per its audited annual financial statements. Based on the net profits, if any, every year, the CSR Committee will identify the CSR activities including the thrust areas, annual budget, planned expenditure and implementation schedule etc.

The CSR activities will be carried out directly or indirectly at the corporate/ registered office, in and around the areas of the projects of the Company, Subsidiaries and Associates. However, this shall not bar the Company from pursuing its CSR activities in any other areas. The CSR activities will be carried out / implemented, directly or indirectly, through any other Trust / Society / Section 8 Companies / Agencies established / registered to carry on the CSR activities as defined under the Rules.

EXPENDITURE NOT COVERED OR RECOGNISED

In terms of the Rules, the following contributions shall not be considered as CSR Expenditure;

- a. Contributions of any amount, whether directly or indirectly, to any political party or any person associated with a political party.
- b. Amount spent, whether directly or indirectly, for the benefit of employees of the Company, its Subsidiaries and Associates and their families.

- c. Expenses incurred by the Company for the fulfillment of obligations any act / statute of regulations (such as labour laws, land acquisition act etc.)
- d. Expenses incurred by the Company for one off events such as marathons / awards / charitable contribution / advertisement / sponsorships of TV programs etc.
- e. Other contributions / expenses not recognized under the Act / Rules as amended or modified, from time to time.

FUNDING AND ALLOCATION

Following is the mode of funding and allocation of area wise planned expenditure for the CSR activities.

1. The Company shall, in every financial year, contribute a statutory minimum limit of at least 2% of its Net Profits for the CSR Expenditure.
2. In the absence of Net Profits in any financial year, the Company endeavors to spend such feasible amount as it may decide.
3. The CSR Committee shall prepare its annual planned expenditure, for a financial year, for the CSR activities including the thrust areas and manner of implementation etc., and submit the same for approval of the Board.
4. The Company shall endeavor to spend the entire amount of statutory minimum contribution limit in a financial year. In the event, the Company is unable to spend such amount in any given financial year, the Board shall specify the reasons for the same in its report to the shareholders in terms of Section 134(3)(o) of the Act.
5. The Company has an option to carry forward such un-spent money to next year by depositing it in a separate CSR Fund (Corpus) created by the company or to contribution to the corpus of a Trust / Society / Section 8 Companies etc., as long as they are created exclusively for undertaking CSR activities.

MONITORING MECHANISM

The CSR Officer of the Company will coordinate / review the implementation of CSR activities at various areas and report to the Board through the CSR Committee. The CSR Committee shall meet at least once in a year to monitor the implementation of CSR Plan and its activities. The Committee shall ensure that the CSR Policy, as amended from time to time, is displayed on the company's website.



The CSR Committee shall place before the Board, a draft annual report on CSR activities as per the specified format, in a board meeting to be held in the first quarter of the following year for Board's review and finalization. The Board shall include in its report to the shareholders, the annual report on CSR activities as per the format specified under the Rules.

The Company Secretary/ authorized person of the Company shall assist the CSR Committee and the Board for performing their respective duties under the CSR Policy, any changes by the Government in the regulations governing the CSR activities.

REPORTING FORMAT

Periodic reporting on the CSR activities, execution modalities, implementation schedules etc., to the CSR Committee shall be in the proper format which may be amended by the CSR Committee from time to time.

Signed By:

(Navdeep Chawla)
Managing Director