

# MERCURY LABORATORIES LIMITED

## CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR POLICY)

### 1. Title and Applicability

- The document describes the Corporate Social Responsibility Policy (“CSR policy”) of Mercury Laboratories Limited. It includes its vision, mission and other relevant attributes of Corporate Social Responsibility.
- The CSR policy shall be guided by its corporate philosophy of respect for the individual and the society at large.
- The CSR policy has been formulated in accordance with Section 135 of the Companies Act 2013 and the CSR Rules 2014 and the relevant amendments / notifications / circulars.
- The CSR policy shall apply to all CSR programs of Mercury Laboratories Limited.

### 2. Vision and Mission

Mercury Laboratories Limited is committed to build a sustainable business with strong social relevance and a commitment to inclusive growth and contribute to the society by supporting causes on promoting education & other development activities.

In pursuance of our vision that Mercury Laboratories Limited desires to be a ‘Company which society wants to exist, we are dedicated towards fulfilling the social objectives through CSR activities. The Company shall make its endeavour to positively impact and influence the Society for its sustainable development.

### 3. Purpose and Objective

The Companies Act, 2013 has brought greater emphasis on CSR with rules that provide guidance on minimum CSR spend, focus areas, implementation mechanism and reporting to the shareholders of the company.

The main objective of CSR Policy is to lay down guidelines for Corporate Social Responsibility Activities of Mercury Laboratories Limited. The Policy is formulated in compliance with the requirements of the Companies Act, 2013 and rules made thereunder.

CSR Policy has been designed keeping in view the company’s business vision, its CSR vision and long-term social objectives that the company wants to achieve. CSR Policy has been created with the purpose to outline its CSR focus areas, review mechanism, execution process and reporting mechanism.

### 4. Responsibility of the Board of Directors

The responsibility of the Board of Directors shall be as under:

- a) 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 in accordance with requirement of Companies Act, 2013. Ensure that the activities proposed in the CSR Policy are undertaken;

- b) The board shall ensure that the administrative overheads shall not exceed 5 % of total CSR expenditure of the company for the financial year
- c) Ensure that the company spends, in every financial year, at least **2%** of average net profits of the company made during the 3 immediately preceding financial years, as required under Section 135 of the Companies Act, 2013 & Rules made thereunder;
- d) 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.
- e) 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.
- f) If company fails to spend the sum as mentioned above, then the Board shall, in its Report specify the reasons for not spending the amount.

## **5. CSR Committee**

### **5.1. Constitution of CSR Committee**

A Corporate Social Responsibility Committee (“the CSR Committee”) has been constituted by the Board of Directors to oversee the CSR agenda of the Company. The committee has been formed as per the requirements of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014.

Board of Directors shall be empowered to take decision for making or effecting changes in the constitution of the CSR Committee.

The composition of CSR Committee shall be disclosed in the Board of Directors’ Report.

### **5.2. Responsibilities of the CSR Committee**

- a) To formulate & recommend to the Board of Directors, a CSR Policy indicating the activities to be undertaken as specified in Schedule VII of the Companies Act, 2013 and modify / amend the same as required;
- b) To review and approve Quarterly/Annual budgets with respect to CSR programs;
- c) To develop and institutionalize a CSR reporting mechanism in light with Section 135, Rule 8 of the Companies Act 2013;
- d) To ensure that Mercury Laboratories corporate website displays the approved CSR policy of the company

- e) To monitor the CSR Policy, Projects and Programs from time to time.

### **5.3. Meetings of CSR Committee**

The CSR Committee shall meet at least once in six months. The meeting shall be held either at the registered office of the company or any other place, as may be decided by the members. Physical presence of a minimum of two members of the committee shall constitute the quorum.

### **5.4. Notice of Meeting**

At least three days advance notice of every meeting, specifying the day, place and timing of Meeting and the general nature of the business to be transacted there at shall be given to the members. In urgency, a meeting may be convened by shorter notice.

## **6. Areas of CSR Activities**

The Company is hereby devoted to direct its CSR resources, to a reasonable extent, for improving the quality of life of the people by focusing on the social causes, including but not limited to the following areas:

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation, including contribution to the Swacch Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- iii. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- iv. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water, including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- v. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents;
- vii. Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- viii. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, and other backward classes, minorities and women;

- ix. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- x. Rural Development Projects; and
- xi. Slum area development
- xii. Activities related to promotion of road safety as suggested vide General Circular No. 21/2014 dated 18.06.2014 issued by Ministry of Corporate Affairs

Other activities which may be notified from time to time covered under the Companies Act, 2013 including any amendments or re-enactment thereof.

#### **EXCLUSIONS:**

Following activities shall be excluded from the CSR expenditure:

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

- a) 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
  - (i) 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;
  - (ii) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;
- b) Activities undertaken in pursuance of normal course of business of the Company;
- c) Direct or indirect contribution to political parties;
- d) Expenditure on item/s not in conformity with Schedule VII of the Companies Act 2013;
- e) Surplus arising out of CSR projects shall not form part of the business profits of Company instead the same will be further used for CSR purposes only.

#### **Beneficiaries**

The beneficiaries of Mercury Laboratory's CSR programs may be the following categories of people:

- Children / students
- Women
- Weaker sections of the society
- Others – Society at large

#### **7. Implementation Mechanism**

The company shall conduct / implement CSR programs through registered trusts, societies named Ramanbhai trust and/ Shrutiben trust which is having already an established track record of more than three years in carrying on activities in the related area/s or as suggested by Ministry of Corporate Affairs vide circulars/notifications.

The activities to be undertaken by the Company as CSR activities shall be the projects/programs relating to the activities/subjects specified enumerated in the Schedule VII of the Companies Act, 2013 or any amendment thereto or modification thereof. The Committee shall from time to time decide/recommend to the Board on, CSR activities to be undertaken, the geographical area covered, agencies or trusts or NGOs with which the projects/activities are to be undertaken, Amount to be spent on various projects whether on going or fresh. While deciding on the CSR activities, priority shall be given to the needs and requirements of communities or area in the vicinity of the operational working of the Company. The CSR programs or projects or activities that the Company plans to undertake through NGOs/Trusts/Agencies and the modalities of the execution/implementation of the same by giving Donation in cash or kind (medicines/drugs manufactured by the Company) , Sponsorships of free medical check ups for community in vicinity of the operational working of the Company. Sponsorships of medical treatment for poor as recommended by committee of Doctors Sponsorship of equipped Ambulance or such other specific equipment as may be required.

**Rural Development Society (RDS):** Support RDS in promoting following initiatives through donating in cash or kind as may be required by RDS :

- a. Running of School with Hostel for students of poor families free of cost.
- b. Operating Medical Dispensary with qualified doctor for preliminary medical facilities to the poor patients free of cost. c. Conducting Vocational Training Courses for carpentry, Plumbing, Electrician, tailoring etc. with a view to make people self-reliant.
- c. Undertaking various activities with the objective of development of local villages by running sanitation campaigns, de-addiction programs, Mal-Nutrition awareness programs and HIV/AIDS awareness programs.

Spread of Education at affordable cost to students of poor or low-income groups through donations in cash or kind.

CSR activities may also be undertaken in collaboration with other Companies.

The programs/projects which benefit only to the employees of the Company and their families shall not be considered for CSR activities.

The progress will be reported to the CSR Committee during the committee meetings. The progress on CSR programs undertaken by the Company will be reported in the Annual Report in the format prescribed by the CSR Rules 2014.

Format for Annual Report

The Annual Report							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programmes 1. Local area or other 2. Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programme wise	Amount spent on the projects or programmes Sub heads: 1. Direct expenditure on projects or programmes 2. Overhead	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
<b>Total</b>							

## 8. Monitoring of CSR programs

The CSR team shall be responsible for day to day management of CSR related activities of the company. The team shall periodically report to the CSR committee regarding the financial and programmatic progress of CSR projects.

All projects undertaken shall be monitored on a regular basis. On-site monitoring would also be undertaken at least once a year to ensure on-track implementation.

The CSR team shall be empowered to appoint an external third party to monitor / review / audit the progress (financial and programmatic) of the CSR projects.

The Committee shall monitor the above projects, programs and implementation and execution of the same from time to time and report the same to the Board of Directors on a periodical basis.

The Committee shall on completion of every Financial Year, submit to the Board, details of the CSR spent during the Financial Year and reasons for the actual spent being less than the limits prescribed by the law, if any.

The report on CSR shall form part of Board's Report of the Company. The Committee shall recommend changes/editions to be carried out in the policy to the Board from time to time.

## 9. Effective Date

The CSR Policy shall be effective from the date of its approval by the Board of Directors.

## 10. Amendments to the CSR Policy

CSR Policy may be updated to align it with the changing requirement or changes in the legal and regulatory framework. Any revision in the Policy shall be approved by the Board of Directors.

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CSR POLICY APPROVED ON BEHALF OF BOARD OF DIRECTORS ON THIS 09<sup>TH</sup> DAY OF FEBRUARY 2021 AT VADODARA

Sd/-  
Authorized Signatory