



Divi's Laboratories Limited

(CIN: L24110TG1990PLC011854)

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Divi's Corporate Social Responsibility Policy:

I PREAMBLE

Companies need broad acceptability in the Societies where they operate if they are to sustain their long term ability to create shareholder value. Equally important, society depends upon big business to provide critical economic and other benefits. This relationship forms the basis of an overarching contract between business and society. Divi believes and cares deeply in the Business-Society Ecosystem. Divi has always adopted CSR as a key prerequisite for Sustainability. Divi's philosophy and values have always reflected its desire to integrate CSR into its mainstream business.

II INTRODUCTION

Divi's has four multi-purpose manufacturing facilities with all support infrastructures like utilities, environment management and safety systems. Divi has been proactively carrying out social welfare programs since 1995 taking into consideration the specific requirements of the region to do its bit towards improving the lives among the communities around its manufacturing sites. Divi's strongly believe that Industrial Growth must contribute to the upliftment of the society around. Hence, the main focus of CSR should be communities or villages around the manufacturing sites. The focus is also on the rest of the sections consisting of needy and underserved.

III OBJECTIVE

The objective of Divi's CSR Policy is:

- To make sure the business remains sustainable and continues to contribute to the welfare of all stakeholders.
- To take up programmes that benefit the neighbouring communities in enhancing quality of life and economic well-being of the local populace.
- To facilitate a holistic approach based for a sustainable improvement in the social, economic and environmental situation of the needy and underserved.

IV SCOPE

From the annual CSR Budget allocation, a provision will be made towards expenditure, on a year on year basis for the following programmes:

- i) Environmental Sustainability
- ii) Promoting education
- iii) Public Health
- iv) Village Development
- v) Women Welfare & Economic Empowerment
- vi) Enhancing Employability & Self reliance
- vii) Helping hand to under privileged & physically challenged
- viii) Supporting Government welfare schemes
- ix) Drinking water schemes/ Sanitation facilities
- x) Providing infrastructure facilities, civic amenities
- xi) Grant/ donation / sponsorship for upliftment of weaker sections of the society
- xii) Animal Welfare & Dairy Development
- xiii) *Adoption of village for providing civic amenities and infrastructure development*
- xiv) *Relief for victims of natural calamities like earth quake, cyclone, draught and flood situation in any part of the country*
- xv) *Contribution to the government relief funds*

The above list is only an illustrative and activities and any other activity as approved by CSR Committee and the Board of the company may also be considered on case by case basis.

The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the company.

V IMPLEMENTATION

The investment and duration of programme will depend on its nature, extent of coverage and intended impact of the programme. It may be ensured that majority of the CSR activities are undertaken in and around the areas adjoining the Divis manufacturing sites.

Implementation may be taken up through designated teams of executives at the respective units of the company or at corporate level under the programs as approved by the CSR Committee and the Board of the company. The company may also implement the CSR schemes through a trust created either by the company or any other trust as may be approved by the company.

The process of implementation of CSR programmes will involve identification of programmes, areas to be covered, priority of the activities and apposite execution of programmes that would benefit the stakeholders and community for which these are intended.

Identification of Programmes:

This would involve identification of need, assessment of need, interacting with people, Local Govt/ District Administration & implementing agencies for determining the activities to be undertaken in line with the CSR objectives of the company.

Areas to be covered:

Initially majority of the CSR programmes/ activities identified should focus in the areas adjoining the manufacturing sites of Divis.

Priority of activities:

Priority of activities to be undertaken to be decided basing on the evaluation of necessity by cross-functional team, proposals from local/ district administration, deliberations with implementing agencies

Execution of Programmes:

Project activities identified under CSR are to be implemented by employees, selected volunteers, specialized agencies, which include Voluntary Organisations (NGOs), Elected local bodies such as Panchayats, Institutes / Academic Organisations, Trusts, Missions, Self Help Groups, Govt./Semi Govt. / Autonomous Organisations, Mahila Mandals/ Samitis, Professional Consultancy Organization etc.,

Initiatives of State Governments, District administration, Local Administration as well as Central Government Departments/ Agencies, Self-Help Groups etc., would be dovetailed / synergized with the initiatives taken by Divis CSR Program.

Every care should be taken to ensure that there is no duplication of CSR activities undertaken by Divis with that of programmes run by Central, State / Local Governments or other companies CSR activities.

VI POWERS FOR APPROVAL

CSR programmes as may be identified will be required to be put up to the CSR Committee of the Board at the beginning of each financial year. For meeting the requirements arising out of immediate and urgent situations, CMD is authorized to approve proposals in terms of empowerment accorded to him by the CSR Committee.

VII CSR EXPENDITURE

CSR expenditure shall include all expenditure including contribution to corpus for projects or programs or activities approved by Board on recommendation of CSR Committee but does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of schedule VII of the Act.

VIII MONITORING & FEEDBACK

To ensure effective implementation of the CSR activities, a monitoring mechanism will be put in place by the HO. The progress of the CSR programmes under implementation will be reported to the HO on monthly basis.

Appropriate documentation of CSR Policy, annual CSR activities and expenditure incurred will be undertaken on regular basis and same will be placed before the CSR Committee for their confirmation.

CSR initiatives of the company will also be reported in the Annual Report of the company.

IX INTERPRETATION OF POLICY

Any question or interpretation with regard to any provision of the policy and also in respect of matters not covered herein will be handled by the Board or CSR Committee or any person authorised by the Board of the Company in this behalf.

X AMENDMENTS TO THE POLICY

Any or all provisions of the CSR Policy would be subjected to revision/ amendment in accordance with the guidelines on the subject as may be issued by Government, from time to time.

The Company reserves the right to modify, cancel, add or amend any of these provisions.