

Corporate Social Responsibility Policy

Of

M/s. LINCOLN PHARMACEUTICALS LTD

Real progress occurs when privileges are balanced with the responsibilities towards society. Your Company has always laid emphasis on progress with a social commitment. We believe strongly in our core values of empowerment and betterment of not only the employees but also our communities. Following this principle, the company has developed a comprehensive approach towards promoting and facilitating various aspects of our surrounding communities, work-force and their families.

(1) Need for the CSR Policy:

Ministry of Corporate Affairs, Government of India has notified Section 135 being provision relating to CSR with effect from 1st April, 2014 and also notified rules namely the Companies (Corporate Social Responsibility Policy) Rules, 2014 which also came into effect from 01.04.2014. The said provisions are applicable to the company having:

- (a) Net worth of Rs.500 crores or more OR
- (b) Turnover of Rs.1000 crores or more OR
- (c) Net profit of Rs.5 crores or more for the year ended 31.03.2014.

Any company satisfying any one of the above criteria shall ensure that the company spends, in every financial year at least 2 per cent of the average net profits of the company made during the three immediately preceding financial years in pursuance of its CSR policy, provided that if the company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount.

The company should give preference to the local area and areas around it where it operates for spending the amount earmarked for CSR activities.

As the company is fulfilling the criteria of net profit of Rs. 5 crores or more, as required by the Companies Act, 2013 the company has formed CSR Committee of its directors. The CSR Committee has recommended the CSR policy to the Board of Directors. The Board of Directors, at their meeting held on 24th April, 2014 has approved the CSR policy of the company.

(2) CSR Objective:

The objective of the company's CSR Policy is to frame guiding principles for identifying, execution and monitoring of CSR activities, its review from time to time, taking necessary corrective actions and reporting of the CSR activities to CSR Committee/Board of Directors. The whole idea is for the betterment of local community, employees and nearby society.

(3) CSR activities:

Lincoln Pharmaceuticals Ltd is a Public Limited Company, one of the leading Pharmaceuticals and Pharmaceutical products' manufacturer and seller in the organized sector of the country The Company's production facilities are situated at "Trimul estate, Khatraj, Ta-Kalol, District:: Gandhinagar, Gujarat State."

All activities are identified in a participatory manner, in consultation with the community of the areas where the Company's operations are carried on, literally sitting with them and gauging their basic needs, based on a discussion with the villagers and other influentials, activities are prioritized. Arising from this, the main focus areas that have emerged are Education, Health care, Sustainable livelihood, Infrastructure development, and espousing social causes.

The company proposes to carry out CSR activities in the following functional areas subject to the approval of CSR Committee/Board of Directors from time to time:

A. In Education, our endeavor is to spark the desire for learning and knowledge at every stage through

- Formal schools
- Balwadis for elementary education
- Quality primary education
- Girl child education
- Adult education programmes

B. In Health care our goal is to render quality health care facilities to people living in the villages and elsewhere

- Primary health care centres
- Mother and Child care programmes
- Immunization programmes with a thrust on polio eradication
- Health care for visually impaired, and physically challenged
- Preventive health through awareness programmes.

C. In Sustainable Livelihood our programmes aim at providing livelihood in a locally appropriate and environmentally sustainable manner through

- Formation of Self Help
- Groups for women empowerment
- Vocational training
- Partnership with Industrial Training Institutes.

D. In Infrastructure Development we endeavor to set up essential services that form the foundation of sustainable development through

- Basic infrastructure facilities
- Housing facilities
- Safe drinking water
- Sanitation & hygiene
- Renewable sources of energy.

E. To bring about Social Change we advocate and support

- Dowry less marriage
- Widow remarriage
- Awareness programmes on anti social issues
- De-addiction campaigns and programmes
- Espousing basic moral values

The CSR activities to be carried out by the company will also be through the Registered Trust.

(4) CSR Committee:

The primary responsibility for carrying out the CSR activities will be on CSR Committee/Board of Directors of the company. The Corporate Social Responsibility Committee of the Board is consisting of three directors including one independent director as follows:

- 1) Shri Mahendrabhai G. Patel, Member
- 2) Shri Rajnikant G. Patel, Member
- 3) Shri Iswarlal A. Patel, Member

The CSR committee will look after all the projects in close proximity and active support from all the functional units of Lincoln Pharmaceuticals Ltd. The committee will be responsible for:

- Formulating transparent procedures for selection of projects.
- Monitoring and timely implementation of the projects.
- Recommendation of budget before the board for various CSR projects.
- Maintaining the report of all the projects.

The CSR committee may form small group of employees for carrying out CSR related activities under its supervision as and when the need arises.

If required a local man including villagers may also be included as a coordinator or as a link man to achieve the target as well as ensuring participation of local representative in formulating the CSR activities in order to obtain the maximum benefit for the community.

In case of need, close coordination may also be undertaken with NGOs to strengthen the CSR activities. If the CSR Committee is satisfied it may also donate appropriate funds to any NGO or local body if they are operating in line with CSR activities and thereby contributing indirectly for the attainment of desired results in the area of CSR activities.

(5) Areas of operation and CSR activities:

The Company's manufacturing unit are situated at "Trimul estate, Khatraj, Ta-Kalol, District: Gandhinagar, Gujarat State." and as such its CSR activities will be executed in the State of Gujarat. The areas of operations for CSR activities shall proposed in the village of Khatraj, which is the manufacturing unit, district of Ghandhinagar and its surrounding areas in the state of Gujarat. However, the areas in the adjoining districts may also be covered if the CSR Committee thinks it appropriate.

(6) Allocation of funds: (Modalities of utilization of funds)

1. The Company, in every Financial Year, shall endeavor to spend such feasible amount as CSR Expenditure, which shall not be restricted by the statutory limit of a specified percentage of its average net profits of the three immediately preceding Financial Years.
2. Total expenditure in the CSR Annual Plan shall be approved by the Board upon recommendation by the CSR Committee
3. In case the Company fails to spend the statutory minimum limit of 2% of the Company's average net profits of the immediately preceding three years, in any given financial year, the Board shall specify the reason for the same in its report in terms of clause (o) of sub-section (3) of section 134 of the Act.

4. The CSR Committee will spend funds on the CSR activities or programme or projects as may be approved by the CSR Committee and/ by the Board of Directors and/or donate funds to the **Registered Trust** and other welfare trusts operational in the CSR activities as specified by the Companies Act, 2013 and rules made there under.

(7) Implementation of the CSR activities:

The Company shall implement the identified CSR Projects by the following means:

i. Direct Method

1. The Company may either through Trust or itself implement the identified CSR Projects presently within the scope and ambit of the Thrust Areas as defined in the Policy;
2. The CSR Officer may engage external professionalism/firms/agencies if required, for the purpose of implementation of its CSR Projects.
3. The company may collaborate with other companies if required, for fulfilling its CSR objects through the Direct Method, provided that the CSR Committees of respective companies are in a position to monitor separately such CSR Projects.

ii. Indirect Method

The Company may collaborate with other companies, including its Group Companies if required, provided that the CSR Committees of respective companies are in a position to monitor separately such Projects.

(8) Monitoring and Review of CSR projects/activities:

All CSR activities shall be monitored by the CSR Committee on regular basis. The Review discussions shall be held among the Committee members and/CSR execution team and other participants for further improvement. Feedback will be obtained from the local representatives to ensure that benefits of such activities should reach to the local community, the same will also be measured against targets and budgets and wherever necessary, midcourse corrections will be affected.

(9) Disclosure in the Board of Directors' Report and display on Company's website.

As required by the provisions of the Companies Act and Rules made there under, contents of the CSR policy will be displayed on the website of the Company and will also be disclosed in the Report of the Board of Directors of the company.

(10) Policy documents to be referred for implementation of CSR activities.

- a) CSR policy of M/s. LINCOLN PHARMACEUTICALS LIMITED.**
- b) Provisions of the Companies Act, 2013 relating to CSR and rules made there under.**
- c) Any subsequent notification / circular / amendments / modification / revision / addendum to the aforesaid acts and rules issued by the Ministry of Corporate Affairs, Govt. of India.**

(11) Surplus out of CSR Activities.

The surplus arising out of the CSR activities, if any shall not form part of the business profit of the company.

(12) General:

- a) The company reserves the right to modify, cancel, add or amend any of the above activities/rules/guidelines within the broad parameters of the provisions of Companies Act, 2013 and rules made there under.**
- b) In case of any doubt with regard to any of the provisions of the policy and also in respect of any matters not covered therein, the interpretation and decision of the Chairman of the CSR Committee/ Board of Directors shall be final.**

(13) Management Commitment

Our Board of Directors, our Management and all of our employees subscribe to the philosophy of compassionate care. We believe and act on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. This is the cornerstone of our CSR policy.