Assessment Report on the Impact of Corporate Social Responsibility Projects of Laurus Labs Limited

Financial Year 2023 - 24

CORPORATE SOCIAL

RESPONSIBILITY

WE CARE OUR SOCIETY & ENVIRONMENT

Education

Health care

Environment

Submitted to

LAURUS Labs
Chemistry for Better Living

Submitted by

CA INDIA

Ramasamy Koteswara Rao and Co LLP

Chartered Accountants

Hyderabad | Sadasivapet | Guntur | Visakhapatnam | Srikakulam

Acknowledgement

We are thankful to Laurus Labs Limited for entrusting the consultancy services to Ramasamy Koteswara Rao and Co LLP, Chartered Accountants, Hyderabad for conducting impact assessment studies of various CSR activities.

We are grateful to all the executives in the CSR division and Laurus Labs Limited unit heads across the Telangana and Andhra Pradesh who have supported in completing the work on time. We are thankful to all our stakeholders for their valuable time and information enabling us to conduct the fieldwork and interactions.

We are thankful to our team, field officers and others for extending full support in completing the project.

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Partner

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Executive Summary

- Corporate Social Responsibility (CSR) is a model of corporate self-governance that encourages corporations to work with their communities and invest in their social, economic, and ecological growth. Along with being a statutory mandate enshrined in Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules, 2014, it is also an opportunity for corporations to create an impact beyond their commercial mandate.
- The performance of a corporation's CSR endeavors is appraised by their impact. The quantity and quality of impact created by CSR activities indicate how successful a corporation has been in understanding the needs and challenges of the communities affected by its work, addressing these needs and challenges, and fostering positive change for the communities. The practice of impact assessment provides corporations with a systematic framework to undertake such an evaluation and recalibrate its future CSR practices if necessary.
- Recognizing the significance of impact assessment for steering CSR practices, in 2021, the Ministry of Corporate Affairs introduced amendments to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules 2014, making CSR impact assessment mandatory for companies with minimum average CSR obligation of ₹ 10 crores or more in the immediately preceding 3 financial years as well as for companies that have CSR projects with outlays of minimum ₹ 1 crore and which have been completed not less than 1 year before unde rtaking impact assessment.

Executive Summary (contd.)

- The intent is to encourage companies to take considered decisions before deploying CSR amounts and assess the impact of their CSR spending. This not only serves as feedback for companies to plan and allocate resources better but shall also deepen the impact of CSR.
- **Laurus Labs Limited CSR activity:**

  Laurus Labs Limited driven by its commitment to catalyze societal transformation persistently embarks on a dedicated path of social impact. Laurus Labs believe in making a positive impact on the communities it serves and operates in. As a result, their Corporate Social Responsibility (CSR) philosophy reflects this commitment . Laurus Labs Limited focus on interventions in key areas that they believe will uplift the communities they operate in. These areas are bucketed into four themes, Education, Healthcare, Sustainability, Sports and Rural development. These are further supplemented by other needs-based interventions.

  Laurus Labs Limited interact regularly with NGOs, local leaders, and community representatives through formal and informal channels to apprise them of their activities and at the same time to find out how they can contribute better to the welfare of the community. It spends CSR funds through Laurus Charitable Trust, other NGOs, Government of Telangana and Andhra Pradesh and Universities.

  The CSR activities would be as per the CSR policy of the company and the same shall be reviewed from time to time pursuant to changes in the need of target beneficiaries and the changes in the scope.

Executive Summary (contd.)

- **About Laurus Charitable Trust:**

  The Laurus Charitable Trust, established on August 3, 2017, is a non-governmental, non-profit organization based in Hyderabad, Telangana. The trust was registered under the Indian Trusts Act with the goal of addressing multiple social issues. It focuses on various sectors including education, health, employment, art and culture, gender issues, sports, rural development and environmental concerns. Additionally, it aims to empower women and alleviate poverty in specific regions of Andhra Pradesh, including Guntur, Krishna, and Visakhapatnam and in Telangana, in and around Hyderabad.

  The trust's office is located within the premises of Laurus Labs Limited in Banjara Hills, Hyderabad.

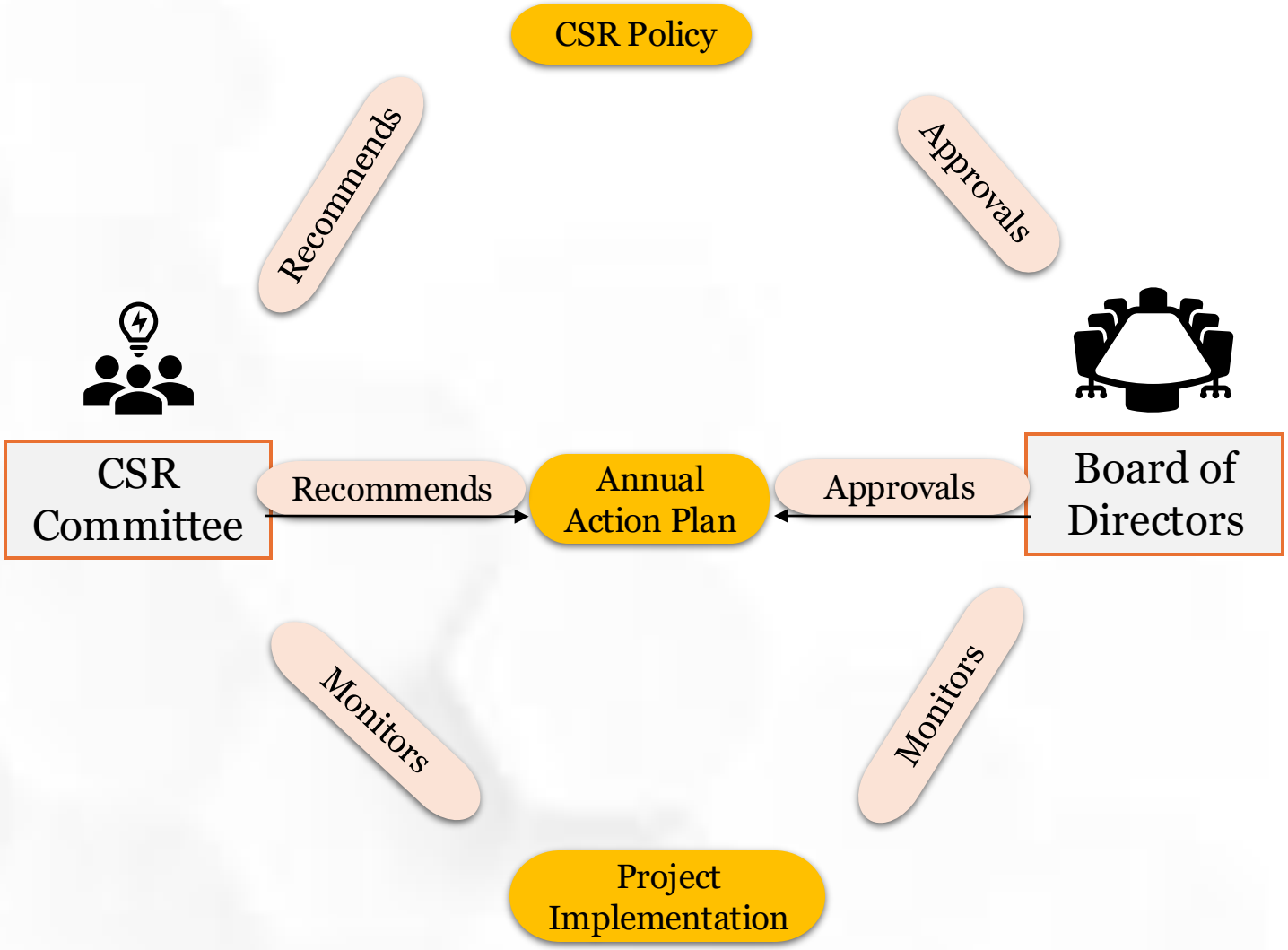
- **About Us:**

  Ramasamy Koteswara Rao & Co LLP, Chartered Accountants has been a practicing CA firm over two decades. Specialize in Audit and Assurance Services, Direct and Indirect Taxation, Financial and Management accounting, Internal and Management Audits, internal finance controls, as well as risk management and assessment. The firm emphasizes integrity, ethical practices, independence, and mutual respect as core values in delivering quality service to their clients. The founders are associated in the field for chartered accountancy for over 40 years.

About Laurus Labs Limited

- Laurus Labs Limited is an Indian pharmaceutical company that specializes in the development, manufacturing, and marketing of active pharmaceutical ingredients (APIs), intermediates, and formulations. The company was founded in 2005 and is headquartered in Hyderabad, India.
- As a company, Laurus Labs conducts business with utmost transparency and integrity. This helps them attract the best talent and win the trust of their stakeholders. Given that Laurus labs operate in a highly regulated sector, and adopt a high-watermark approach to compliance to ensure that they exceed the requirements of all applicable international standards.
- Laurus Labs has a strong presence in the pharmaceutical industry, with a focus on research and development to create a diverse portfolio of products. The company is known for its expertise in areas such as oncology, anti-retroviral, cardiovascular, anti-diabetics, anti-asthma, and gastro-intestinal . The company has commercialized 60+ products since inception across three distinct business units - Generics API, Generics FDF and Synthesis. Company's major focus areas include anti-retroviral, Hepatitis C and Oncology drugs, and work with all the top 10 generic pharmaceutical companies in the world. Company sells APIs in 56 countries. Their major focus areas include anti-retroviral, Hepatitis C and Oncology drugs.

CSR Governance Mechanism



Approach and Methodology

Rationale of the study

To undertake social impact assessment of CSR initiatives being implemented by Laurus Labs for FY 2023-24 across various categories.

Research Framework

For assessment of the impact of CSR activities undertaken by Laurus Labs Limited, the OECD DAC Evaluation Criteria were used. This criteria provides a normative framework to determine the impact of any development intervention. The framework has defined six (6) evaluation criteria i.e., Relevance, Coherence, Effectiveness, Efficiency, Impact, and Sustainability and Interviews wherever required.

OECD DAC Evaluation Criteria

Relevance

The extent to which the intervention objectives & design respond to **beneficiaries , global, country, and partner/institution needs, policies, and priorities**, & continue to do so if circumstances change.

Effectiveness

The extent to which the intervention achieved, or is expected to achieve, its objectives, and its results, including any **differential results across groups**.

Impact

The extent to which the intervention has generated or is expected to generate **significant positive or negative,** intended or unintended, higher-level effects.

Sustainability

The extent to which the net benefits of the **intervention continue, or are likely to continue.**

Efficiency

The extent to which the intervention delivers, or is likely to deliver, results in **an economic and timely way.**

Coherence

The **compatibility of the intervention** with other interventions in a country, sector or institution.

Laurus contribution towards Sustainable Development Goals

The Sustainable Development Goals (SDGs) of the United Nations are unique, to promote prosperity while protecting the planet. While the SDGs are not legally binding, governments are expected to take ownership and establish national frameworks for the achievement of the 17 goals. Laurus Labs Limited acknowledges the relevance and critical importance of the 17 SDGs to end poverty, protect the planet, and ensure prosperity for all. Laurus Labs Limited is committed to sustainable production and consumption and look forward to aligning the sustainability strategy to the SDGs.

The projects considered for the study are highlighted below:

Details of CSR Completed Projects

Sl. No.	CSR Projects	Total Spent during the FY 23 – 24 [₹ in Lakhs]	Completed Projects [₹ in Lakhs]
1	Health care, eradicating hunger & Water Plant	357	257
2	Education	388	105
3	Women empowerment	62	62
4	Environment sustainability	328	328
5	Promoting Sports	32	32
6	Rural Development	1061	275
	Total	**2228**	**1059**

CSR Impact assessment of the eligible projects

- As per CSR Rules, 2014 the Company is required to undertake impact assessment of the 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.
- The following information represents CSR completed projects of value exceeding 1 crore in the financial year 2023-24.

CSR Project	Amount [₹ in Lakhs]
Children Heart Surgeries	231
Rural development	230
Construction of Parks	197

- We have conducted a thorough analysis of the detailed impact study for each of the afore mentioned project.

Projects considered for CSR Impact study

Sl.No	Nature of CSR Project	Key Impact
1	Health care **₹ 231 Lakhs** 	➢ Contribution to ***Pure Little Hearts Foundation*** – an implementation partner in helping new born babies and children with heart related issues to have a healthy life. ➢ Contribution to ***Hrudaya Cure A Little Heart Foundation*** – an implementation partner in making children with heart related issues to get cured and lead a happy and healthy life.
2	Rural development **₹ 230 Lakhs** 	➢ Construction of Tensile Shed at ***Sri Varaha Lakshmi Narasimha temple, Simhachalam***, ***Andhra Pradesh*** to provide shelter for the devotees to walk through the lanes in the temple. ➢ Construction of ***Rythu Market at Munagapaka***, Andhra Pradesh.
3	Construction of Parks **₹ 197 Lakhs** 	➢ Construction of Walking Track along side a river and and Park at Dumping Yard Kotturu, Andhra Pradesh to enhance the greenery and to promote healthy atmosphere public.

Health care - Children Heart Surgeries

Introduction

The Laurus Labs Limited has a passionate team of CSR committee expanding its arm towards making as many little hearts to live on this earth by helping those in need, by getting them operated for various heart diseases with good healthcare service providers with advanced medical facilities. It has implemented this by partnering with ***Pure Little Hearts oundation*** and ***Hrudaya Cure a Little Heart Foundation.*** 60 children has been cured in the Financial Year 2023-24.

Relevance

The "Pure Little Hearts" program aims to improve cardiovascular health outcomes in rural communities / weaker sections by providing access to quality heart surgery services. The program addresses the limited access to healthcare services, lack of awareness, and inadequate healthcare infrastructure. The donation made by Laurus Labs Limited provides direct impact on the child's health by providing immediate access to heart surgeries that are reasonable high for their quality services.

Coherence

- The National Health Policy 2017 envisages as its goal the attainment of the highest possible level of health and wellbeing for all at all ages, through a preventive and promotive health care orientation in all developmental policies, and universal access to good quality health care services without anyone having to face financial hardship as a consequence. This would be achieved through increasing access, improving quality and lowering the cost of healthcare delivery.
- The contribution by Laurus Labs Limited through its implementation partners provides access to good quality health care services without anyone having to face financial hardship as a consequence.
- The goal of the CSR project of Laurus Labs Limited fits well with the goal of the National Health Policy 2017.

Effectiveness and Efficiency

- The objective of the Children heart surgeries project under Health care segment of Laurus Labs Limited CSR projects has been achieved heartfully and successfully as its mission to make children heart surgical treatments accessible to all people with good quality health care services.
- The objective is consistent with national and international development goals, including the United Nations' Sustainable Development Goals (SDGs), specifically SDG 3 (Good Health and Well-being).
- All the contributions made by the Laurus Labs Limited directly or through its charitable trust have been efficiently utilized in performing the heart surgeries and the beneficiaries are happy to see their children's heart functioning properly.

Impact

- The lives of the children post heart surgeries have been improved and able to live their life without any complications unlike they used to face before the surgeries.
- The parents of such children have been so grateful for such help from the Laurus Labs Limited as they could see their child living better life.
- The parents mental trauma due to their child's heart issue has been healed and they are now happy families.
- A total of 60 children has been cured from their heart related issues being treated at 2 reputed hospitals through 2 implementation partners.

Sustainability

The benefits of the heart surgeries lasts longer as majority of the heart surgeries are one time issue resolver in many of the new born babies.

Conclusion

We have performed the assessment by directly conducting audio calls with some of the child's parents and understanding whether their child has been cured completely and about his post-surgical life. All the assessments were found to be satisfactory and made a healthy and positive future impact on the life of new born babies.

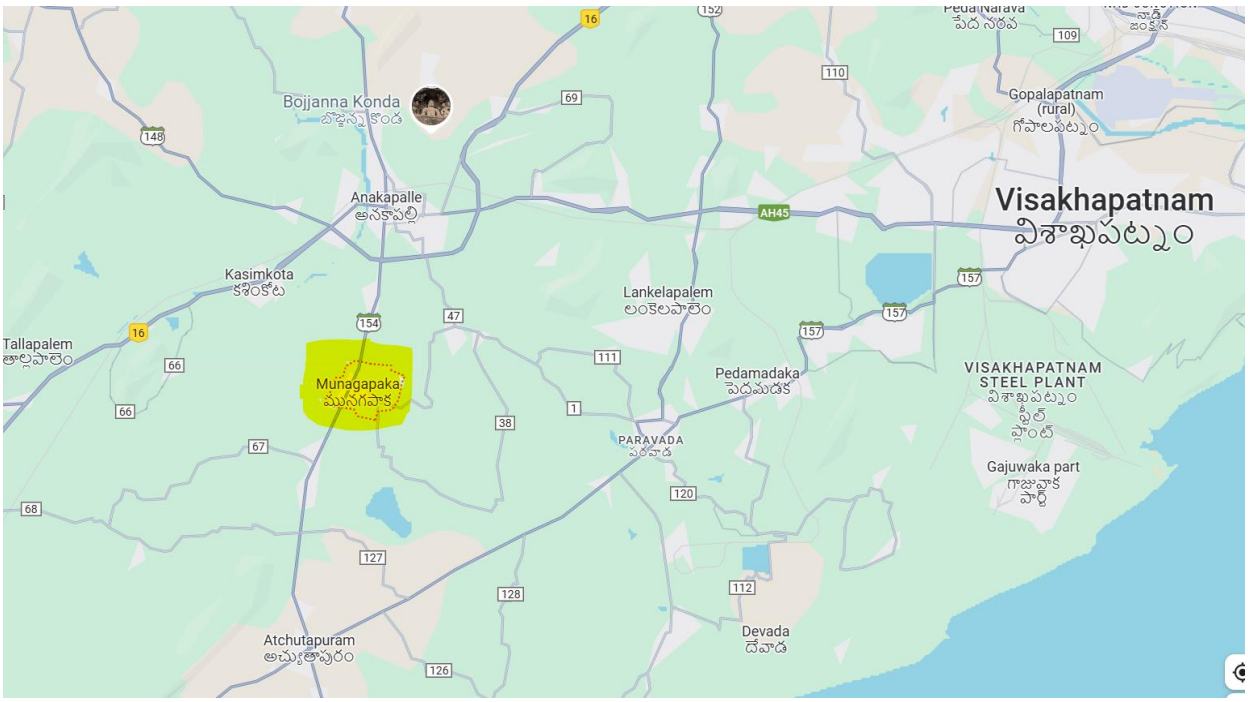
Rural Development Project

Construction of Rythu Market at
Munagapaka Gram Panchayat, Andhra Pradesh

Introduction

The Laurus Labs Limited has constructed Rythu Market at Munagapaka village , Andhra Pradesh. The company has spent ₹ 44 lakhs for construction of the infrastructure facility.

Munagapaka village is located in the Munagapaka Mandal of the Visakhapatnam district in the Andhra Pradesh. Munagapaka has a total population of 10,028 people, out of which the male population is 5,124 while the female population is 4,904. The literacy rate of Munagapaka village is 61.44%. There are about 2,663 houses in Munagapaka village. The Rythu market has been constructed to provide a platform both for the local farmers and general public to trade the vegetables and fruits.



Relevance

- The Rythu market can contribute to the economic growth of the rural community, by providing a platform for farmers to sell their produce and increasing their income.
- Farmers can sell their produce directly to consumers, eliminating middlemen and increasing their profit margins. By selling their produce directly, farmers can increase their income and improve their livelihoods.
- The market can lead to improved infrastructure in the rural area, such as roads, storage facilities, and other amenities.

Coherence

- The Rythu market aligns with other local development initiatives, such as agricultural development programs, food security initiatives, and poverty reduction projects.
- Consumers can buy fresh, high-quality produce directly from farmers. By having access to fresh, high-quality produce, consumers can improve their food security and nutrition.
- The market can improve the quality of produce, as farmers are incentivized to produce high-quality crops to sell directly to consumers.

Effectiveness and Efficiency

The Rythu market has achieved its intended outcomes, including:

- Increased accessibility of fresh produce to consumers
- Improved market opportunities for farmers
- Enhanced food security and nutrition

The project was completed on time and within budget, demonstrating efficient delivery.

Impact

- The Rythu market has a positive impact on farmers, providing them with a dedicated platform to sell their produce, improving their income and livelihoods.
- The market provides consumers with access to fresh, high-quality produce, improving their food security and nutrition.
- The Rythu market contributes to the local economy, generating employment and income opportunities for farmers, traders, and other stakeholders.

Sustainability

- The Rythu market is designed to be sustainable, with a robust management structure and revenue generation mechanisms.
- The market is managed by a committee comprising local stakeholders, ensuring community ownership and management.
- The market can create jobs for people in the rural community, such as in the management and maintenance of the market.

Rythu Market during operations

The Rythu Market has become a platform for around 50 vendors who supplies vegetables, fruits, meat , food grains, pulses and cereals and other seasonal items.
Thus, the general public is able to obtain all the house hold food consumption from the Rythu market as a single point of source. As a result, this market plays a pivotal role in by acting as a platform both for the vendors and the consumers facilitating the daily food consumption.

Conclusion

The construction of the Rythu market for the general public has been assessed using the OECD DAC 6 evaluation criteria. The assessment reveals that the project has been highly successful in achieving its intended objectives. The project aligns with other local development initiatives.

Rural Development Project

Construction of Tensile Shed for general public
Sri Varaha Lakshmi Narasimha temple,
Simhachalam, Andhra Pradesh

Introduction

The Laurus Labs Limited has constructed Tensile Shed at Sri Varaha Lakshmi Narasimha temple, Simhachalam, Andhra Pradesh for comfortable walk into the temple by providing the shelter facility to the Lord Lakshmi Narasimha swamy's devotees. The company has spent ₹ 185 lakhs for construction of the infrastructure facility to the general public.

Relevance

The construction of Tensile Shed at Sri Varaha Lakshmi Narasimha temple, Simhachalam, Andhra Pradesh add resses the need for providing shelter and infrastructure for general public. The project aligns with local development priorities, such as promoting community development and improving public infrastructure.

Coherence

The project aligns with other local development initiatives, such as community development programs and public infrastructure projects.

Effectiveness and Efficiency

The tensile shed provides a shelter facility, achieving its intended outcome. The project was completed on time and within budget, demonstrating efficient delivery. Resources were utilized efficiently, with minimal waste and optimal use of materials and labor. The project was cost-effective, providing a valuable community asset at a reasonable cost.

Impact

The tensile shed has a positive impact on the community, providing a shelter space for large public. The project contributes to an improved quality of life for rural members, offering a convenient and accessible shelter space.

Sustainability

The tensile shed is designed to be durable and long-lasting, ensuring its continued viability.- The community is involved in the management and maintenance of the tensile shed, ensuring its sustainability.

Conclusion

The amount spent by the Laurus Labs Limited has been utilized effectively to cater the needs of the general public.

Environment - Construction of Walking Track and Park

Introduction

The Laurus Labs Limited has constructed walking track along with park at Kotturu in Andhra Pradesh. The company has spent ₹ 197 lakhs for construction of the walking track and the along rise park.

Relevance

The walking track and roadside plantation address the need for recreational spaces, improved air quality, and enhanced aesthetic appeal.

Coherence

The project aligns with other local development initiatives, such as sustainable urban planning, public health, and environmental sustainability programs.

Effectiveness and Efficiency

The project has achieved its intended outcomes, including:

- Improved air quality through increased tree cover
- Enhanced aesthetic appeal of the area
- Increased physical activity among residents through the walking track

The project was completed on time and within budget, demonstrating efficient delivery.

Impact

- The walking track and roadside plantation have a positive impact on public health, promoting physical activity and improving air quality.
- The project contributes to environmental sustainability, enhancing biodiversity and mitigating the heat effect.
- The walking track provides a shared community space, fostering social connections and community engagement.

The walking track is being used by general public on daily basis. On an average, daily around 500 people are using this track for walking both during the dawn and dusk periods.

Sustainability

- The walking track and roadside plantation are designed to be sustainable, with a maintenance plan in place to ensure their continued viability.
- The community is involved in the maintenance and management of the walking track and roadside plantation, ensuring their continued sustainability.

Conclusion

The construction of the walking track with roadside plantation of trees has a significant positive impact on public health, the environment, and community engagement. The project demonstrates relevance, effectiveness, efficiency, impact, sustainability, and coherence.

DISCLAIMER

The report has been prepared in accordance with the engagement letter between Laurus Labs Limited (LLL) and Ramasamy Koteswara Rao and Co LLP, Chartered Accountants (RK and Co LLP), dated 05 February 2025. Its purpose is to conduct an Impact assessment of the CSR projects undertaken and completed during the financial year 2023-24.

The report should be disclosed in its entirety, and the disclaimers should not be removed. RK and Co LLP did not conduct an audit and does not provide any opinion or other form of assurance. The comments made in the report are not intended to be legal advice or opinion. The report presents an analysis by RK and Co LLP based on secondary sources and input gathered from interactions with the relevant team members of LLL, Laurus Charitable Trust, Pure Little Hearts Foundation, Zilla Parishad High School at Kolthur, Andhra University, Indo-German Institute of Advanced Technology, Tirumala Thirupathi Devasthanam, sports persons and other relevant project beneficiaries, and other implementation partners. Although the information obtained from public sources has not been verified for authenticity, RK and Co LLP took care to obtain information from sources that are generally considered reliable.

Further, RK and Co LLP states that:

- It has used and relied on data shared by the LLL team, implementing agencies, and secondary research through the internet, research reports, and project target beneficiaries;
- It has neither conducted an audit nor due diligence nor validated the financial statements and projections provided by the LLL;
- Wherever information was not available in the public domain, suitable assumptions were made to extrapolate values for the same;
- Whether the recommendations made in this report based on secondary sources will actually provide any benefits or improvements is dependent on whether the assumptions they are based on are still valid. To make sure the assumptions are still correct, they need to be checked and updated periodically to match any changes in business trends, regulatory requirements, or the direction of the organization;
- It accepts no responsibility for the realization of the projected benefits;
- The premise of an impact assessment is ‘the objectives’ of the project along with output and outcome indicators pre-set by the program design and implementation team.

RK and Co LLPs' impact assessment framework was designed and executed in alignment with those objectives and indicators.

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