

CSR POLICY

A. Introduction:

Pursuant to Section 135 of the Companies Act, 2013 (the 'Act') read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the 'CSR rules or rules'), the Company has put in place a Corporate Social Responsibility Policy formulated, approved and adopted by the Board of Directors of the Company pursuant to provisions of Section 135(9) of the Act.

B. Purpose:

The purpose of Corporate Social Responsibility (CSR) Policy of Deccan Health Care Limited (DHCL) is to devise an appropriate strategy and focus for its CSR initiatives and lay down the broad principles on the basis of which it will fulfill its CSR objectives.

C. Background:

Corporate Social Responsibility (CSR) has evolved during last few decades from simple philanthropic activities to integrating the interest of the business with that of the communities in which it operates. By exhibiting socially, environmentally and ethically responsible behavior in governance of its operations, the business can create value and long-term sustainability for itself while making positive contribution to the betterment of the society. This approach also reaffirms the view that businesses are an integral part of society, and have a critical and active role to play in the sustenance and improvement of healthy ecosystems, in fostering social inclusiveness and equity, and in upholding the essentials of ethical practices and good governance.

Definitions:

In this Policy, unless the context requires otherwise:

- a. 'Act' means Companies Act, 2013 and the Rules made thereunder, as amended from time to time,
- b. 'Company' means Deccan Health Care Limited,
- c. 'Corporate Social Responsibility' (CSR) means Corporate Social Responsibility as prescribed under Section 135 of the Act and Rules made thereunder and further amendments thereto,
- d. 'Net Profit' means net profit as defined under Section 135 Act and the Rules made thereunder, as set out below:
Net Profit shall not include such sums as may be prescribed, and shall be calculated in accordance with the provisions of Section 198 of the Act.
- e. Words and expressions used in this CSR Policy and not defined herein but defined under the Act shall have the meaning respectively assigned to them in the Act.

Legal and Regulatory Requirements:

This policy contains the approach and direction given by the Board of the Company, taking into account guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

This policy, which encompasses the Company's philosophy for delivering its responsibility as a corporate citizen, is titled as the "CSR Policy". It has been prepared keeping in mind the Company's business ethics and to comply with the requirements of Act and the rules, as amended from time to time.

This policy shall apply to all CSR initiatives and activities taken up at various locations of the Company, preferably in the vicinity where the Company carries out its business operations and for the benefit of different segments of the society, specifically the deprived, under-privileged.

CSR Vision Statement:

- Society Cares through efforts to conserve and improve environment
- Partner with credible organizations like trusts, foundations, etc. including non-government organizations;
- Develop meaningful and effective strategies for CSR activities;
- Conduct business in a true, fair and ethical manner and create a good impact in the society it belongs;
- Improving the quality of lives of people in the communities in which it operates because society is an essential stakeholder.

Objectives of CSR Policy:

- Demonstrate commitment to the common good through responsible business practices and good governance;
- Set appropriate standards of quality in the delivery of services in the social sector by creating robust processes and replicable models;
- To operate its business in an economically, socially and environmentally sustainable manner, while recognizing the interests of all its stakeholders.

Role of Board towards the Corporate Social Responsibility:

As per provisions of Section 135(9) of the Companies Act, 2013, where the amount to be spent under Corporate Social Responsibility (CSR) by a company does not exceed fifty lakh rupees, the requirement under Section 135(1) for constitution of the Corporate Social Responsibility Committee is not applicable and the functions of such committee

provided under Section 135 of the Act, are discharged by the Board of Directors of the Company. Accordingly, the function of CSR Committee is discharged by the Board as per provisions of Section 135(9) of the Act.

The role of the Board towards the Corporate Social Responsibility is as under:

Role of Board:

- i. To formulate a CSR Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII of the Act and rules thereof.
- ii. To approve the amount of expenditure to be incurred on the CSR activities.
- iii. To monitor the implementation of framework of CSR Policy of the Company from time to time.
- iv. To formulate an annual action plan which includes:
 - (a) the list of CSR projects or programmed that are approved to be undertaken in areas or subject specified in Schedule VII of the Act
 - (b) the manner of execution of such projects or programmes as specified in sub-rule (1) of Rule 4 of the CSR Rules
 - (c) the modalities of utilization of funds and implementation schedules for the projects or programmes
 - (d) monitoring and reporting mechanism form the projects or programmes; and
 - (e) details of need and impact assessment, if any, for the projects undertaken by the Company
- v. To carry out any other function as may be decided / approved by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.

Responsibilities of Board of Directors:

The Board of Deccan Health Care Limited will be responsible for:-

- Approving the CSR policy and CSR Annual Action Plan of the Company in pursuance of its CSR policy.
- Ensuring that in every Financial Year the Company spends at least 2% of the average net profit made during the three immediately preceding Financial Years.
- Ensuring that the CSR activities are undertaken by the Company as per CSR Rules.
- Ensuring that in every Financial Year, funds committed by the Company for CSR activities are utilized effectively, and implementation is monitored on regular basis and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.

- Ensuring disclosure of CSR Policy and Projects approved by the Board on their website, if any, for public access.
- The Board may alter the CSR Annual Action Plan at any time during the financial year, as it may deem fit, based on reasonable justification to that effect.
- The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.
- Monitor the implementation of ongoing projects, with reference to the approved tile lines and year-wise allocations and shall be competent and to make modifications in such projects, if required to ensure smooth implementation of the project within permissible time period.
- In case of excess CSR Spend in any year, to decide on set off of excess amount against the requirement to spend in the three immediate succeeding financial years, in accordance with the provisions of the Act and CSR Rules.

CSR Allocation & Expenditure:

For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, the Company will allocate at least 2% of its average net profits made during the 3 (Three) immediately preceding financial years as its Annual CSR Budget. The Annual CSR Budget shall be spent on projects /activities as laid down in this Policy.

Administrative Overheads:

“Administrative Overheads” means expenses incurred by the Company will be used for ‘General Management & Administration’ of the Corporate Social Responsibility functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.

Further, the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.

Surplus of CSR Activities:

Any surplus arising out of the CSR activities shall not form part of the business profit of the 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 of

Act, within a period of six months of the expiry of the financial year.

Excess CSR Spent/Set Off:

Where the Company spends an amount in excess of requirement, such excess amount may be set off by the Board against the requirement to spend up to immediate succeeding three financial years subject to the conditions that –

- the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any.
- the Board of the Company shall pass a resolution to that effect.

Creation or Acquisition of Capital Assets:

CSR amount may be spent by the Company for creation or acquisition of a Capital Asset which shall however, be held by either:

- i) Company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under the CSR Rules;
- ii) Beneficiaries of the CSR Project, in the form of self-help groups, collectives, entities;
- iii) A Public authority.

CSR Activities:

The CSR Activities which may be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 will include the following:-

- I. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh 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 art and handicrafts.

- vi. Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows.
- vii. Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports.
- viii. Contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women.
- ix. a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- x. rural development projects.
- xi. slum area development.

Explanation.- For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

- xii. disaster management, including relief, rehabilitation and reconstruction activities.
 - xiii. Any other CSR Activity including projects/ programmes as may be notified by the Government from time to time.
- o The activities mentioned above are to be interpreted liberally so as to capture the essence of the same. These areas are only illustrative and not exhaustive. The initiatives by the Company in the above fields will include contribution to various projects engaged in these areas.

- CSR expenditure shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board, but does not include any expenditure on an item not in conformity with the CSR Policy.
- Though the Company would give preference to local area and areas around the Company for spending the amount earmarked for CSR, it would also work for the upliftment of the underprivileged at large.
- The CSR projects or programs or activities undertaken by the Company as per the Company's CSR Policy in India only shall amount to CSR Expenditure in accordance with the provisions of the Act.

Transfer of Unspent CSR Amount:

Until a separate fund is specified by the Government, the unspent CSR amount, if any, shall be transferred by the Company to a fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.

Amount remaining unspent pursuant to an ongoing project shall be transferred within a period of thirty days from the end of the financial year to the Unspent Corporate Social Responsibility Account in accordance with the Act and such amount shall be spent by the Company in pursuance of its obligation towards the CSR Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII of the Act, within a period of thirty days from the date of completion of the third financial year.

CSR Implementation:

For implementing the CSR project or programmes, the Board shall ensure that the CSR activities are undertaken by the Company itself or through –

- (a) a company established under Section 8 of the Act, or a registered public trust or a registered society, registered under Section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the Company, either singly or along with any other company, or
- (b) a company established under Section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
- (c) any entity established under an Act of Parliament or a State legislature; or
- (d) a company established under Section 8 of the Act, or a registered public trust or a registered society, registered under Section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

The Company may engage international organisation(s) for designing, monitoring and

evaluation of the CSR projects or programmes as well as for capacity building of its personnel for CSR.

The Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the Board is in a position to report separately on such projects or programmes in accordance with these rules.

Disbursement:

The disbursement of funds for CSR activity/ programme/ project will be in one or more tranche depending upon the nature and requirement of project.

Monitoring and Feedback:

In respect of the contributions made to various societies/trusts for the CSR activities, DHCL will obtain commitment from the trusts/societies that it shall utilize its funds solely for the projects/activities identified and may obtain requisite details from such societies/trusts for utilization of fund spent on their projects.

The CSR activities of the Company will be included in the Directors' report as prescribed in Section 135 of the Companies Act, 2013 and the Rules made there under. A copy of the CSR Policy and CSR Projects approved by the Board will also be placed on the Company's website.

Impact Assessment:

1. If the Company has an average CSR obligation of ten crore rupees or more, in the three immediately preceding financial years, it shall undertake impact assessment, through an independent agency, of their 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.
2. The impact assessment reports, if applicable, shall be placed before the Board and shall be annexed to the annual report on CSR.
3. Impact assessment, if applicable, may be booked as the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.
4. Details of need and impact assessment, if applicable for the projects undertaken by the Company will be included in the CSR Annual Action Plan.

General:



Words and expressions used but not defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, the CSR Rules made thereunder or in and amendment thereto. This CSR Policy shall also be subject to such clarifications and FAQs as may be issued by Ministry of Corporate Affairs from time to time.

In case of any doubt with regard to any provision in the Policy and also in respect of matters not covered herein, a reference will be made to the Board and the interpretation & decision of the Board shall be final.

The CSR Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by the Government, from time to time.

The Company reserves the right to modify, add, or amend any of the provisions of this policy, subject to approval of the Board.

In case of any subsequent changes in the provisions of the Act which makes any of the provisions in this Policy inconsistent with the Act, then the provisions of the Act would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with the Act.

CHAIRMAN
