

# ABH HEALTHCARE LIMITED

## CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

### 1. PREFACE

The Company understands its responsibility towards the society in which it operates and is initiating small but significant steps in bringing positive changes in the environment for sustainable development taking into consideration the interests of various stakeholders. With the rapidly changing corporate environment, more functional autonomy, operational freedom etc., the Company has adopted CSR policy ("Policy") as a strategic tool for sustainable growth.

As per the provisions of Section 135 of the Companies Act, 2013 formulation of Corporate Social Responsibility Policy is a mandatory requirement. Therefore, the Company has formulated a CSR Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare & Sustainable development of the society.

CSR Policy means a statement containing the approach and direction given by the board of a company and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

### 2. PURPOSE

The purpose of Corporate Social Responsibility (CSR) Policy of ABH Healthcare Limited 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.

### 3. DEFINITIONS

In this Policy, unless the context requires otherwise,

- a) 'Act' means the Companies Act, 2013 and the Rules made thereunder, as amended from time to time,
- b) 'Company' means ABH Healthcare 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) "Ongoing Project" means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification;
- e) Net profit" means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely: –
  - (i) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
  - (ii) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act:
- f) Net Profit shall not include such sums as may be prescribed, and shall be calculated in accordance with the provisions of section 198.
- g) 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.

### 4. LEGAL AND REGULATORY REQUIREMENTS

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

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.

## **5. RESPONSIBILITIES OF BOARD OF DIRECTORS**

The Board of ABH Healthcare 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 Schedule VII of the Act.
- 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, 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 timelines 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 the Companies (Corporate Social Responsibility Policy) Rules, 2014.
- The Board shall be empowered to recommend any amendment or modification to this policy and such recommendation shall be placed before the Board for approval.

## **6. CSR ALLOCATION AND 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.

## **8. 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.

## **9. 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.

## **10. 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.

## **12. 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 Swach 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.

- The activities mentioned 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.
- 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.

### **13. 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.

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.

### **14. 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 80G 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.

### **15. GENERAL**

1. All administrative expenses including expenditure on wages & salaries, tours and travels, training & Development of personnel deputed on CSR activities would be borne from CSR funds.
2. The Competent Authority to take decision on sanctioning works /allocation of funds for CSR and appointing authorized agencies for implementing Projects / Activities shall be as specified in the delegation of powers approved by the Board of Directors.
3. If it is observed that any CSR activity taken up for implementation is found not properly implemented, the Company at its discretion may discontinue funding the project at any time during the course of implementation.
4. On advice of Board, selected Project may be taken up for evaluation through an outside Agency.
5. The Board shall be empowered to recommend any amendment or modification to this policy and such recommendation shall be placed before the Board for approval.

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