



CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

<u>Version</u>	1.0
<u>Issuing Authority</u>	Board of Directors of the Company
<u>Effective Date of Document</u>	January 31, 2022
<u>Approval Date of Document</u>	January 31, 2022
<u>Date of Last Review</u>	January 31, 2022
<u>Version History</u>	1.0 (New Policy)





CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Background

Corporate Social Responsibility (CSR) is strongly connected with the principles of Sustainability; an organization should make decisions based not only on financial factors, but also on the social and environmental consequences. Corporates must recognize that their business activities have wide impact on the societies in which they operate.

This policy shall apply to all CSR initiatives and activities taken up at the various work-centres and locations of **Kids Clinic India Limited** (*hereinafter referred to as "the Company"*), for the benefit of different segments of the society, specifically the deprived, underprivileged and differently abled persons.

Accordingly, the board of directors of Company ("Board") adopted a CSR policy at its meeting held on January 31, 2022 which can be amended from time to time.

Definitions

1. Act

Act means Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).

2. Corporate Social Responsibility (CSR)

CSR means and include but not limited to the activities as specified in this policy pursuant to Schedule VII of the Act, but contribution directly or indirectly to the political party, business done by the Company in its normal course, activities only for the benefit of employees and activities done outside India will not be considered as CSR activity.

3. Net profit

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.

4. CSR Expenditure

CSR Expenditure shall include all expenditure including contribution to corpus, or on projects or programs relating to CSR activities specified in this policy as approved by Board on recommendation of CSR Committee only on the activities prescribed in this policy will be considered as CSR expenditure.

CSR Committee: CSR Committee means the committee constituted under the provisions of Section 135 of the Act.

CSR Activities

The followings are the wide categories of the activities under which the Company may work to undertake CSR activities:



- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water company can undertake programs for educating the peoples;
- ii. Promoting education, including special education and employment enhancing vocation skills specially among children, women, elderly, and 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 centers 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, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water;
- v. Protection of national heritage, art and culture including restoration of building and sites of historical importance and works of art: setting up public libraries; promotion and development of traditional arts and handicrafts;
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents;
- 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 any other fund set up by the Central Government for socio-economic development and relief and welfare of the Schedule Castes, the scheduled tribes, other backward classes, minorities and women;
- ix. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- x. Rural development projects;
- xi. Slum area development; and
- xii. Any other activities as listed in Schedule VII of the Act.

Execution process

The Company may undertake its CSR activities approved by the CSR Committee, through a registered trust or a registered society or a Company established by the Company or its holding or Subsidiary or associate Company under section 8 of the Act or otherwise.

The Company may also undertake CSR activities through any trust, society or section 8 Company which is not established by the Company or its holding or subsidiary or associate Company, if such trust, society or section 8 company shall be having an established track record of three years in undertaking similar programs or projects or where the corpus is created exclusively for a purpose directly relatable to a subject covered in Schedule VII of the Act.

The Company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs.

Utilization of fund

The Company shall utilize at least 2 percent of the average net profit of the Company made during the last three (3) immediately preceding financial years in the CSR activities as enumerated above in this policy. In any case, if in any year company fails to spend such amount on CSR, the Board will, in its report made under section 134 (3) (o) of Companies Act, 2013, specify the reasons for not spending the amount.

When CSR activity is undertaken through a registered trust or a registered society or a Company not established by the Company or its holding or Subsidiary or associate Company under section 8 of the Act.

The Company will approximately distribute their annual CSR expenditure amongst the following areas. An indicative percentage is mentioned below. However, the actual distribution of expenditure among these areas will depend upon the local needs as may be determined by the need Identification studies or discussions with local government/bodies/citizen's forums/NGOs:

S.No.	Areas	Total expenditure %
1	Drinking water/Sanitation	
2	Healthcare/ medical facility	
3	Education/ Literacy Enhancement	
4	Environment protection	
5	National, Rural, Olympic Paralympics sports	
6	Rural development projects	
7	Slum area development projects	
8	Contribution to Prime Minister Fund and any other fund set up by CG for the purpose	
9	Contribution to technology incubators within academic institution approved by CG	
10	Protecting national heritage, art and culture	
11	Towards benefit of armed forces veterans, war widows and their dependents	

Surplus arising from CSR activity

The surplus arising from CSR projects, programs or activities shall not form part of the business profit of the Company.

CSR Committee

The Board shall constitute the CSR committee of the Board in accordance with the Act. The responsibilities of the CSR Committee include:

- a) To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the company in areas or subjects as specified in Schedule VII of the Act
- b) To review and recommend the amount of expenditure to be incurred on CSR activities
- c) To monitor the CSR policy of the Company and its implementation from time to time
- d) any other matter as the CSR Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time.

Responsibilities of the Board

The responsibilities of the Board concerning CSR are as follows:

- a) Approving CSR Policy of the Company



- b) Disclosing the content of the policy in its report and placing the policy on the Company's website in the manner prescribed under section 135 of the Act.
- c) Ensuring that the CSR activities are related to the activities, areas or subjects included in Schedule VII of the Act.
- d) Ensuring that CSR projects included in the policy are undertaken by the Company
- e) Ensuring that the Company spends, in every financial year, at least 2 percent of the average net profits made during the three immediately preceding financial years or such minimum budget as may be statutorily mandated under the law
- f) Ensuring that reasons for not spending of earmarked amount are disclosed in the Board's report in case the Company fails to spend such amount
- g) Ensuring that the Company gives preference to the local areas around its operations for spending the amount earmarked for CSR projects

Monitoring Mechanism

To ensure effective implementation of the CSR programmes undertaken a monitoring mechanism will be put in place by the Company. The progress of CSR programmes under implementation will be reported to Board of Directors on a quarterly basis. The CSR committee will conduct impact studies on a periodic basis, about effectiveness of CSR Activity on the society.

Reporting Mechanism

CSR Committee will obtain feedback from beneficiaries about the programmes and report to the Board of Directors, the feedback received from the beneficiaries of CSR Activity. Appropriate documentation of Company's CSR Policy, annual CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis and the same will be available on the website of the Company. CSR initiatives of the Company will also be reported in the Annual Report of the Company containing particulars as specified in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Amendments to the Policy

The Board on its own and/ or as per the recommendations of CSR Committee can amend this Policy, as and when required. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the provisions of the Act thereunder on the subject, from time to time.