

Paras Healthcare Limited

Corporate Social Responsibility Policy

Serve society, serve people, serve yourself

1. PREAMBLE

The importance of businesses in improving the standard of living is well recognized. No organization can move in isolation. Since it uses the resources of the society, it is the moral obligation of the business enterprises to help the weaker sections of society. It should work in a manner which maintains the balance of the ecosystem. The concept of Corporate Social Responsibility has gained prominence from all avenues. Organizations have realized that Government, alone will not be able to get success in its endeavor to uplift the oppressed & weaker sections of Society.

There is a growing awareness that in an increasingly complex world, businesses also have significant and long-lasting impacts on people, our planet and our ability to sustain the levels of holistic development that we all aspire to. With the rapidly changing corporate environment wherein, stakeholders are demanding that businesses of all types and sizes need to function with fairness and responsibility, it becomes altogether imperative for our organization to enhance our efforts towards our social responsibility. The Company has adopted CSR as a strategic tool for sustainable growth. In the present context, CSR means not only the investment of funds for social activity but also the integration of business processes with social processes. Following the underlined principles, this would result into a harmonious relationship between the Company, the environment & the society. Company through its Hospitals believes that its ability to make a difference extends beyond its hospital walls. Both as an organization and as individuals, it's dedicated to play an active and energetic role in its hospitals and surrounding communities-providing our neighbors with the support, outreach programs and special services to improve their quality of life.

This sense of responsibility to the community is a core element of its professional culture, and its nurses and allied doctors/physicians and employees go to tremendous lengths to adopt this mission as its own. Each day, Company is discovering new ways to make an impact in the lives of people both within and beyond its Hospitals.

This Corporate Social Responsibility Policy ("Policy") has been formulated in accordance with the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII of the Companies Act as amended from time to time and shall be construed in alignment with the applicable statutory provisions.

2. INTRODUCTION

The business of Paras Healthcare Limited ("Paras") as providing Healthcare Services is located in different parts of the country. Society has been the foundation of the organization providing the resources & means to earn profits. Since its inception it has aimed to be a preferred health care provider for all sections of the society and majorly affordable healthcare services to the weaker sections of the society. Our expertise in advanced medical and surgical treatments has helped hundreds of thousands of patients receive world-class quality treatment at affordable costs.

Paras is equipped with one of the leading neurosciences center which boasts of all facilities needed for research and surgery in the field of neurosciences. Besides this, it has 55 specialty

departments which include medicine, minimal invasive surgery, gynecology, oncology, ophthalmology, dermatology, cosmetic surgery, plastic surgery etc. We are committed to provide our patients the best of healthcare. The vision and mission of Paras in itself defines our diligent efforts to provide service to the society.

3. DEFINITIONS

Unless the context otherwise requires, the terms used in this Policy shall have the meanings assigned to them under the Companies Act, 2013 (“the act”) and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

(a) “Corporate Social Responsibility (CSR)” means the activities undertaken by the Company in pursuance of its statutory obligation under Section 135 of the Act in accordance with the CSR Rules, but shall not include the following activities;

- i. Activities undertaken in pursuance of normal course of business of the Company
- ii. Any activity undertaken by the Company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level.
- iii. Contribution of any amount directly or indirectly to any political party under Section 182 of the Act;
- iv. Activities benefitting employees of the Company as defined in clause (k) of Section 2 of the Code on Wages, 2019.
- v. Activities supported by the Companies on sponsorship basis for deriving marketing benefits for its products or services.
- vi. Activities carried out for fulfilment of any other statutory obligations under any law in force in India.

(b) “Ongoing Project” means a multi-year project undertaken in fulfilment of CSR obligation having timelines not exceeding three financial years excluding the financial year in which it was commenced, and includes 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.

(c) “Administrative Overheads” means the expenses incurred by the company for ‘general management and administration’ of 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 program.

(d) “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:

Provided that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381, read with section 198 of the Act.

4. ROLE OF THE COMMITTEE

The Committee shall carry out of the following functions:

- Formulate/review CSR Policy & CSR Annual Action Plan, which shall indicate the activities to be undertaken by the Company.
- Work with the Board or the Management of the Company to establish and develop the Company's strategic framework and objectives with respect to corporate social responsibility matters.
- Ensure the activities included by a company in its CSR policy are related to the activities of schedule VII of companies act 2013.
- Decide the priority of the activities to be undertaken under CSR as per the proposal received from the agencies or otherwise.
- Carry out assessment of any CSR activities either on its own or through management or any external trust/ society/ section 8 company.
- Delegate powers to the management to do necessary compliance under the CSR provisions.
- Recommend Annual Action Plan to the Board of Directors for their approval.
- Periodically monitor the implementation of CSR Policy of the Company.
- Take any other steps required under statutory obligations.

5. ROLE OF THE BOARD

The Board of Directors of the Company will be responsible for:

- Approval of the CSR Policy of the Company based on the recommendations of the CSR Committee.
- Ensuring that the activities included in the Policy are undertaken by the Company itself or through an agency and monitor the implementation of the projects with reference to the approved timelines and year-wise allocation.
- Approve the annual action plan on CSR and alter such plan at any time during the financial year, as per the recommendation of the CSR Committee, based on the reasonable justification to that effect.
- Disclosing the composition of the CSR Committee, CSR Policy and Projects approved by the Board on their website as provided u/s 135 of the Companies Act.
- Ensuring that the Company spends in every financial year at least 2% of the average net profits of the Company made during the three immediately preceding financial years in pursuance of the Policy towards the CSR Contribution.
- Ensuring that the Company gives preference to the local areas around its operations for spending the amount earmarked for CSR projects.
- Ensuring that it specifies the reasons in its report for not spending the earmarked amount in case the Company fails to spend such amount and, Unless the unspent amount relates to an

Ongoing Project, such unspent amount shall be transferred to a Fund specified in Schedule VII within six months from the end of the financial year.

- Ensuring that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.
- Review the impact assessment reports, as applicable to Companies having average CSR obligation of ten crore rupees or more, and such report shall also form part of the CSR Annual Report.

6. OBJECTIVE & FOCUS OF CSR POLICY

The main objective of CSR policy is to lay down guidelines for the company to make its initiatives towards CSR a key business process for sustainable development for the Society.

The Company shall undertake activities which shall pursue following objectives:

- i. To eradicate 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. To promote education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.
- iii. To promote 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 backwards groups.
- iv. To ensure 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 including contribution to the clean ganga fund set-up by the Central Government for rejuvenation of river Ganga.
- v. To protect 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 arts and handicrafts.
- vi. To take 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. To train to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports.
- viii. To make 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 Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled 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 Defence 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)

To take measures for rural development projects.

- x. To take measures for Slum area Development.
- xi. Disaster Management including relief, rehabilitation and reconstitution activities.

7. PROJECTS & PROGRAMMES TO BE UNDERTAKEN

In accordance with the CSR Objectives stated above and as recommended by the CSR Committee and approved by the Board of Directors.

8. EXPENDITURE ON CSR ACTIVITIES

- The Company shall, in every financial year, spend at least two percent of the average net profits of the three immediately preceding financial years in accordance with Section 135(5) of the Act.
- Where the Company spends an amount in excess of CSR obligation required under the Act, such excess amount may be set off against the CSR obligation of the immediately succeeding three financial years, provided that such excess amount does not include any surplus arising out of CSR activities and the Board of Directors passes a resolution to that effect. Any surplus arising out of the CSR activities shall not form part of the business profits of the Company and shall be either ploughed back into the same project, or transferred to the Unspent CSR Account and spent in pursuance of the CSR Policy and Annual Action Plan, or transferred to a Fund specified in Schedule VII within six months from the end of the financial year.
- In case the Company fails to spend the required CSR amount in any financial year and such unspent amount does not relate to an Ongoing Project, the Company shall transfer such amount to a Fund specified in Schedule VII within six months from the end of the financial year.
- If the unspent CSR amount relates to an Ongoing Project, the Company shall transfer such amount within thirty days from the end of the financial year to a separate bank account to be called the “Unspent CSR Account” and such amount shall be spent within a period of three financial years in accordance with the CSR Policy and Annual Action Plan.

- In case the Company is unable to spend the CSR obligation on the Ongoing project within the prescribed period of 3 (three) financial years, it would be required to transfer the amount so unspent to any fund included in Schedule VII of the Act within 30 (thirty) days of the end of the concerned financial year.

9. ANNUAL ACTION PLAN

- The CSR Committee shall formulate the Annual Action Plan, in each financial year, and recommend the same to the Board.
- The CSR Committee and the Board shall adhere to the following guidelines while formulating/approving the annual action plan for each financial year:
- The list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act.
- The manner of execution of projects or programs.
- The modalities of utilization of funds and implementation schedules for the projects or programs.
- Monitoring and reporting mechanism for the projects or programs.
- Details of need and impact assessment, if any, for the projects undertaken by the Company.

Any amendment to the annual action plan shall be recommended by the CSR Committee and approved by the Board, based on the reasonable justification to that effect. The Board, through its Corporate Social Responsibility Committee is the primary custodian of Company's Social Investments/CSR programme.

10. MEASURES TO MONITOR AND ASSESS PROGRESS

Every year, the CSR Committee will place for the Board's approval, a CSR Annual Action Plan delineating the CSR Programs to be carried out during the financial year and the specified budgets thereof. The Board will consider and approve the CSR Plan with any modification that may be deemed necessary.

The CSR Committee will assign the task of implementation of the CSR Plan within specified budgets and timeframes to such persons or bodies as it may deem fit.

The persons/bodies to which the implementation is assigned will carry out such CSR programs as determined by the CSR Committee within the specified budgets and timeframes and report back to the CSR Committee on the progress thereon at such frequency as the CSR Committee may direct.

The Board of Directors of the Company will review the CSR implementation every year including the ongoing projects as per the applicable provisions of the Act.

The Board of a company shall satisfy itself that the funds so disbursed for CSR activities have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect. Such certification

based on the utilisation report as received from the implementing agencies where the CSR project are being implemented through such agencies.

If the Company is having an average CSR obligation of ten crore rupees or more (or any other amount as may be specified in the Act from time to time) in pursuance of sub-section (5) of section 135 of the Act, in the three immediately preceding financial years, Company shall undertake impact assessment, through an independent agency, in respect of all 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 impact assessment reports as stated above shall be placed before the Board and shall be annexed to the annual report on CSR.

It shall be the responsibility of the CSR Committee to keep the Board apprised of the status of implementation of the same.

At the end of every financial year, the CSR Committee will submit its report to the Board.

11. DELEGATION

The Board of Directors may delegate any of the roles, powers and responsibilities of the Board, as contained in the policy including the power of execution of projects and programs, to any of the Directors and/or officers of the Company, so far as they are not inconsistent with the applicable provisions of the Companies Act, 2013 and the rules made thereunder.

12. POOLING OF RESOURCES

The company shall be authorized to pool its resources with other companies and undertake CSR Expenditure through the common pool of fund in consonance with its existing CSR Policy.

13. IMPLEMENTATION

The plans will be formulated in line with the strategic direction provided by the Board Committee on Sustainability.

Collaborating with various organization, which are registered as a Trust or a section 8 company under the Companies Act, 2013 or Society or NGOs or any other form of entity incorporated in India that specialize in the aforesaid activities.

The Corporate Social Responsibility Committee (CSR Committee) and Chief Executive Officer may, from time to time, suggest additional areas of social intervention in line with the overall objectives of the Company and its Divisions.

The programs may be implemented directly by the Company under the supervision of the CSR Committee for Social Investments/CSR, or through its Trusts, Foundations etc.

The Strategy of Organization for addressing the various dimensions of CSR will be reviewed from time to time and cleared with the CSR Committee.

The Quorum for CSR Committee shall be two directors.

The Company shall ensure that any implementing agency, other than the Company itself, is registered with the Central Government by filing Form CSR-1 and possesses a valid CSR Registration Number in accordance with Rule 4(2) of the CSR Rules before undertaking CSR activities.

14. CREATION OR ACQUISITION OF CAPITAL ASSET

The Board of Directors may, on the recommendation of the CSR Committee, approve expenditure of CSR funds for creation or acquisition of capital assets, provided that such assets shall be held by:

- (i) a Section 8 company, or a registered public trust, or a registered society, having a valid CSR Registration Number; or
- (ii) beneficiaries of the said CSR project, in the form of self-help groups, collectives or entities; or
- (iii) a public authority.

The Company shall ensure that the capital asset so created or acquired is used for the intended CSR purpose and shall maintain proper records in respect thereof.

15. REVIEW, LIMITATION AND AMENDMENT

The CSR Committee or Board of Directors shall review and monitor from time to time the implementation of this Policy to ensure its effectiveness and may also recommend changes pursuant to any changes in any law, for the time being in force, to ensure it meets the requirements of legislation and the needs of organization.

In the event of any conflict between the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, from time to time (“Regulations”) and the provisions of this policy, the Regulations shall prevail over this policy.

Any subsequent amendment/modification in the Regulations, in this regard shall automatically apply to this policy.

CHAIRMAN
CSR COMMITTEE
PARAS HEALTHCARE LIMITED