

YATHARTH HOSPITAL & TRAUMA CARE SERVICES LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

CSR Vision: “Creating a Sustainable and Responsible business”

Yatharth Hospital & Trauma Care Services Limited (“YHTCSL”) is committed to enriching people’s lives. We take pride in being socially and environmentally responsible to our employees, stakeholders, vendors, and the world at large. Every precious resource utilized by us is accounted for and used optimally keeping in mind the greater good of society. For us, business is as much about integrating societal, economic, and environmental obligations as it is about creating value for our esteemed customers. In our own humble way, we strive to be the change we want to see.

Corporate social responsibility is the axis, around which the whole business model of our Company, YHTCSL revolves. At YHTCSL, as part of our commitment towards good corporate citizenship, we strive to be at the forefront of making this planet a better place to live for present and future generations. We shall continue to relentlessly strive in our endeavor of nation-building, sustainable development, accelerated inclusive growth and social equity.

YHTCSL constituted a CSR Committee which in exercise of its authority and discharge of its responsibility formulated the Corporate Social Responsibility Policy (“Policy”) in consonance with Section 135, Companies Act, 2013, as amended (the “Act”) on CSR and in accordance with the Companies (Corporate Social Responsibility) Rules, 2014, as amended (“Rules”). It shall apply to all CSR Projects/ Programmes undertaken by the Company as per liberal interpretation of activities listed in Schedule VII of the Act, within the geographical limits of India, preferably towards the benefits of marginalised, disadvantaged, poor and deprived sections of the community and the sustainable environment. Capitalized terms used in this Policy and not defined herein shall have the meaning as ascribed to them under the Act.

1. DEFINITIONS

“**Company**” means Yatharth Hospital & Trauma Care Services Limited or “YHTCSL”

“**Act**” means The Companies Act, 2013 and includes the Companies (Corporate Social Responsibility Policy) Rules, 2014 and all other applicable rules and any statutory modifications, re-enactment thereof.

“**Board**” means the Board of Directors of the Company.

“**Corporate Social Responsibility**” means and includes but is not limited to - (i) projects or programs relating to activities specified in Schedule VII to the Act; or (ii) projects or programs relating to activities undertaken by the Board in pursuance of the recommendations of the CSR Committee, as per the declared CSR policy of the Company.

“**CSR Committee**” means the Corporate Social Responsibility committee constituted under Section 135(1) of the Act.

“**Net Profit/Profit**” refers to the average net profits of the Company, calculated in the manner as provided under the Act.

CSR Objectives:

The Company may carry out any one or more of the CSR activities, notified under the Section 135 of the Companies Act, 2013 read with Schedule VII, inter-alia the following:

- The main objective of the CSR Policy is to lay down guidelines for YHTCSL to make CSR as one of the key focus areas to adhere to company’s global interest in environment and society that focuses on making a positive contribution to society through effective impact and sustainable development programs.
- This Policy covers the proposed CSR activities to be undertaken by the Company and ensuring that they are in line with Schedule VII of the Act as amended from time to time. It covers the CSR activities which are being carried out in India only and includes strategy that defines plans for future CSR activities.
- **Education and Skills Training:** Facilitating Underprivileged Children and Young Adults from Tribal Communities with Education and Skills Training
- **Environmental Preservation:** Reducing Our Carbon Footprint, Increasing Green Cover, & Promote Bio-Diversity.
- **Improve Quality of Life:** Providing Safe Drinking Water, Sanitation, & Overall Health
- **Inclusion:** Training and Earning Opportunity to Differently Challenged Youth, Alleviation of Poverty, Financial Inclusion for Migrant Labour Force

Further, the Company will review these sectors/activities from time to time and make additions/deletions/clarifications to the above sectors/activities.

CSRGovernance:

Constitution of the CSR Committee

Pursuant to the provisions of Section 135 of the Act, the Board of Directors shall constitute the Corporate Social Responsibility (CSR) Committee. The Members of CSR shall be appointed by the Board of Directors of the Company, the composition of which shall be in accordance with Section 135 of the Companies Act, 2013 as amended from time to time. The Composition of the committee shall be as under:

| S.No. | Member | Category of Director | DIN | Designation |
|-------|------------------|----------------------|----------|-------------------|
| 1 | Ajay Kumar Tyagi | Chairman & Director | 01792886 | Member & Chairman |
| 2 | Kapil Kumar | Managing Director | 01818736 | Member |
| 3 | Sanjeev Upadhyay | Independent Director | 09440514 | Member |

Functions and Powers of Committee

To effectively implement the objectives of the Company with respect to CSR, the Committee is vested with the following functions and powers:

- (i) Formulate CSR Policy and recommend the same to the Board of Directors of the Company for approval
- (ii) Recommend CSR activities as stated under Schedule VII of the Act undertaken within the long-term vision and strategy of our company, amount of expenditure to be incurred, type of activities, roles and responsibilities of various stakeholders, etc.
- (iii) Approve to undertake CSR activities, if necessary, in collaboration with other Companies/firms/NGOs etc., and to separately report the same in line with the CSR Rules. It must be noted that while undertaking any project or program with other partnering organizations, the Company will undertake due diligence to evaluate the Companies'/ Firms'/ NGO's reputation, track record, capacity and competency, including organization structure, requisite permits and licenses, presence in desired geography and compatibility with the CSR Policy.
- (iv) Recommend the CSR Budget
- (v) Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules.
- (vi) Create transparent monitoring mechanism for implementation of CSR initiatives in India, and to assure the end use of the amount spent by it towards CSR activities.
- (vii) Submit the Reports to the Board in respect of the CSR activities undertaken by the Company.
- (viii) Monitor CSR Policy from time to time.
- (ix) Monitor activities/charter of Internal Working and Monitoring Group (WG) who are authorized to ensure that the CSR activities of the Company are implemented effectively
- (x) Authorize executives of the Company to attend the CSR Committee Meetings, if necessary.
- (xi) Decide on the mechanism by which the Company will encourage and enable employees and other stakeholders to participate in the projects supported by it through Employee Volunteering Programmes (EVP).
- (xii) Make policy decisions on how the Company will recognize the efforts put in by employees in CSR activities through annual appraisal system. The Head HR shall be assigned a specific role in building capacities, skills and talents under the concept of the Company's broader vision on CSR.

The role of the Board with respect to CSR is as under:

- (i) Review the recommendations in respect of annual budget for CSR;
- (ii) Disclose contents of the Policy in the Company's report/ website; and

Ensure that the Company spends in every financial year, at least two percent of the average net profits made during the three immediately preceding financial years of the Company on CSR activities.

YHTCSL 's CSR initiatives can be implemented directly and / or through Trust or any other registered foundations, trusts, not for profit organizations with an appropriate track record, NGOs and local Government bodies for the purposes of accessing expertise/enhancing resources and for support in project implementation. Any surplus arising out of the CSR projects or programs shall not form the part of the business profits of the Company.

Meetings of the Committee

For smooth functioning of the Committee, the members shall meet as below to discuss such matters and to take such decisions as may be necessary;

- (i) The CSR Committee shall meet at regular intervals so as to achieve the object of the policy.
- (ii) The members of the Committee may mutually agree between them regarding time and place for the said meetings.
- (iii) The quorum for the CSR Committee Meeting shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or two members, whichever is higher.

The Members of the Committee may participate in the meeting either in person or through video conferencing or other audio-visual means as may be convenient.

2. CSR OPPORTUNITIES, FOCUS AREAS, GOALS, RESOURCES AND BUDGET

The Companies Act, 2013 prescribes that the companies which meet the criteria specified Under Section 135 shall allocate certain portion of its annual net profits (calculated as per Sec. 198) during the three immediately preceding financial years to be spent on CSR Activities that fall under the categories specified under Schedule VII of the Act.

2.1. CSR OPPORTUNITIES

In accordance with Schedule VII to the Companies Act, 2013, activities relating to following may be included by the Company in its Corporate Social Responsibility Policy:

- (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 YHTCSL fare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to 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 Government or the State Governments for socio-economic development and relief and funds for the YHTCSL fare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- (ix) 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
- (x) 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)
- (xi) Rural development projects;

- (xii) Slum area development.
- (xiii) disaster management, including relief, rehabilitation and reconstruction activities
- (xiv) Any other projects or activities approved by the Central Government pursuant to Section 135 of the Act, from time to time. Keeping in view of the spread of the novel COVID-19 in India, spending of CSR funds for various activities related to COVID-19 is an eligible CSR activity

Further, the Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities

In the event where the Company makes any surplus or profit from pursuing its CSR projects/ programmes, these will not form part of the business profit (but will, instead, be carried forward to the following year/s as part of either the CSR corpus or as a supplement to the CSR budget.)

For all contributions received from other companies/sources towards the CSR Corpus/Budget, the Company will claim CSR expenditure only for funds that are provided from its own resources.

2.2. FOCUS AREAS

In accordance with requirements of the Act, Company's CSR activities, amongst others, will focus on the following areas:

- (i) Promotion of education and healthcare, and,*
- (ii) Energy and climate change*
- (iii) Betterment of the society through respect for universal human rights and the environment*
- (iv) Acting with integrity and accountability and operating responsibly and sustainably.*

Education and environmentally sustainable solutions are close to Company's business philosophy and a good understanding of such solutions exists. Further, healthcare and eradicating hunger is a pressing need of our society today, especially in the rural areas.

2.3. OUR GOALS

Further, our goals towards this end are as follows:

1. To make CSR a key business process for sustainable development for the Society.
2. To aim at supplementing the role of the Government in enhancing welfare measures of the society based on the immediate and long term social and environmental consequences of their activities.
3. To directly or indirectly take up programmes that benefit the communities in vicinity wherever the Company operates and results, over a period of time, in enhancing the quality of life & economic wellbeing of the local populace.
4. Contributing to sustainable development in areas of strategic interest through initiatives designed in a manner that addresses the challenges faced by the Indian society especially in rural India.

5. Collaborating with communities and institutions to contribute to the national mission of eradicating poverty and hunger, especially in rural areas, through agricultural research and knowledge sharing, conservation and development of forest resources, empowering women economically, supplementing primary education and participating in rural capacity building programs and such other initiatives.

CSR Spend:

Funding and Allocation:

To achieve the above goals, the Company, in pursuance of the legal provisions applicable therewith, has noted that the Company shall allocate 2% of its average Net Profits (calculated as per prescribed guidelines under the Act) made during the three immediately preceding financial years, is spent on CSR projects/ programmes as its annual CSR Budget. As mandated by the legal framework, the surplus arising out of the CSR activities if any, shall be re-invested into CSR initiative only, and shall not form the part of business profit. And such surplus shall be in addition to the 2% of its profits as allocated by the Company every year for the annual CSR budget.

The Committee may, at its discretion, decided to spend more than 2% of its average profit on any project or programme benefiting only the employees of the Company or their families shall not be considered a CSR activity. The Committee shall ensure that any contribution made by the Company to any Foundation, trust, NGO or other entities is used for specified projects or programmes.

2.4. CSR Budget and Expenditure

- (i) Net profit for the purpose of allocation towards CSR means profit more fully described under Rule 2(f) of the CSR Rules. The CSR expenditure shall include all expenditure including contribution to corpus or on projects or programs relating to CSR activities approved by the Board of Directors on the recommendation of its CSR Committee but does not include any expenditure on an item not in conformity or not in line with activities stated under Schedule VII of the Act.
- (ii) The amount of expenditure to be spent on CSR projects, programs or activities undertaken in each financial year will be recommended by the CSR committee of the Company and the same will be approved by the Board of Directors.
- (iii) In case the Company fails to spend the required amount in a particular financial year, it is the duty of the Committee to submit a report in writing to the Board of Directors specifying the reasons for not spending the amount, which in turn shall be reported by the Board of Directors in their Annual Report pertaining to that particular Financial Year and, unless the unspent amount relates to any ongoing project referred to in sub-section (6), transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. If the company

spends an amount in excess of the requirements provided under this sub-section, such company may set off such excess amount against the requirement to spend under this sub-section for such number of succeeding financial years. Surplus, if any, arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.

- (iv) Any amount remaining unspent under sub-section (5), pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility 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, within a period of thirty days from the date of completion of the third financial year.

3. CSR INITIATIVES

Pursuant to Schedule VII of the Act and the CSR Rules, the Company shall undertake CSR activities included in its Annual CSR Plan, as recommended by the CSR Committee at the beginning of each year. The Committee is authorised to approve any modification to the existing Annual CSR Plan or to propose any new program during the financial year under review.

3.1. Annual CSR Plan

The Annual CSR Plan is a yearly plan of CSR activities that would be placed before the Board of Directors of the Company based on recommendation of its CSR Committee which outlines inter alia the following aspects of CSR initiatives of the Company: (i) Project Proposals; (ii) Targeted Beneficiaries and their key needs; (iii) Alignment with Schedule VII of the Act; (iv) Project Goals and milestones; (v) Activities and Timelines including expected closure dates; (vi) CSR Budget with projections; (vii) Monitoring mechanism; (viii) Progress reporting and frequency of reports; (ix) Risks and mitigation strategies; and (x) any other information as may be required by the CSR Committee.

3.2. Collaboration

It is expressly allowed under the CSR Rules that the Company may collaborate with any other Company or association formed in this regard subject to approval by CSR Committee, to implement CSR activities and the same shall form a part of the Annual CSR Plan.

3.3. Disqualifying Activities for CSR

- (i) The CSR Rules disqualifies the CSR projects and programs that are implemented by the Company for benefit of the employees of the Company and their families.

- (ii) The CSR activities implemented outside India also fall outside the purview of the Rules and hence CSR expenditure on such activities will not be considered for inclusion in the CSR Report.
- (iii) Any amount directly or indirectly contributed towards any political party under Section 182 of the Act shall not be considered as CSR Spend.
- (iv) Activities that are undertaken by the Company in pursuance of its normal course of business will not be considered as CSR activities.
- (v) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019)
- (vi) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services
- (vii) activities carried out for fulfilment of any other statutory obligations under any law in force in India

3.4. Monitoring Mechanism

The Company may donate funds to a trust/society/ Section 8 Company- Companies with Charitable Objects etc., where it is created exclusively for undertaking CSR activities or where the corpus is created exclusively for a purpose directly relatable to a subject covered in schedule VII of the Companies Act, 2013.

Further, the CSR expenditures and donations to be incurred or made may be sanctioned or approved by the officers of the Company as may be authorized by the Board from time to time.

- (i) The CSR Committee shall recommend the expenditure to be incurred on the above activities and shall from monitor timely and report to the Board about the implementation thereof.
- (ii) If in any financial year the Company couldn't spend the budgeted amount due to any reason whatsoever, the reason thereof is to be reported to the Board and the Board shall report to the shareholders in its Directors' Report, as discussed above and, unless the unspent amount relates to any ongoing project referred to in sub-section (vi), transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- (iii) The CSR Committee at the corporate office will conduct impact studies on a periodic basis, on the proper functioning of the implemented CSR programmes.

- (iv) As deemed fit by the Board of Directors, appropriate documentation of the Company's CSR Policy, annual CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis.
- (v) The Company undertakes to ensure that an Annual Report on CSR Activities detailing the amount required to be expended, detailed CSR projects and amount expended on each CSR activity will be included in the Board's Report of the Company.
- (vi) CSR Committee shall give a responsibility statement that implementation and monitoring of the CSR Policy is in compliance with CSR objectives and policy of the Company.

Our objective is to strive to achieve greater impacts, outcomes and outputs of our CSR projects and programmes by: (i) judicious investment; (ii) utilization of financial and human resources; and (iii) engaging in like-minded stakeholder partnerships for higher outreach benefitting more lives.

4. REPORTING AND PUBLICATION OF CSR POLICY

As per the CSR Rules, the contents of the CSR Policy composition of the CSR Committee, and Projects approved by the Board shall be included in the Directors' Report and the same shall be displayed on the Company's website.

Accounting & Auditing

The Company will follow the Accounting and Auditing Guidance Note/ Standards duly approved by the Ministry of Corporate Affairs, Government of India.

Disclosure

The Company shall comply with Sections 135 (2), 135(4)(1) and 134 (3) (o) of the Act thereby ensuring that it makes a full disclosure of its CSR Policy, Strategy, Projects/ Programmes, Activities, monitoring mechanism, Implementing Agencies, Expenditure details as well as the composition of the CSR Committee of the Board, as required under the Act.

Interpretation

In case of any conflict between the provisions of this Policy and provisions of any applicable law, the provisions of the applicable law shall prevail over this Policy. Any subsequent amendments/modifications in the provisions of applicable law shall automatically apply to this Policy.

Policy review and amendment

The Board of Directors may revise/ amend this CSR Policy based on the recommendations of the CSR committee from time to time, as may be required under the Companies Act, 2013 or the Rules framed thereunder.
