

Kailash Hospitals Limited
Corporate Social Responsibility (CSR) Policy

I SHORT TITLE

This policy in relation to the Corporate Social Responsibility ("CSR") of Kailash Hospitals Limited is titled as the "CSR Policy" and shall include any alterations, amendments or modifications hereto from time to time.

II VISION STATEMENT, OBJECTIVE AND APPLICABILITY

1. The CSR Policy sets out our commitment to ensuring that our activities extend beyond business and include initiatives and endeavours for the benefit and development of the community and society. The CSR Policy lays down the guidelines for undertaking programmes geared towards social welfare activities or initiatives.
2. This CSR Policy has been framed in accordance with the applicable provisions of the Companies Act, 2013 ("Act") and the rules thereunder.
3. Notwithstanding anything to the contrary contained in this CSR Policy but subject to applicable law, in the event that the Company fails to meet the thresholds set out under Section 135(1) of the Act for three consecutive financial years, it shall not be required to:
 - (i) Constitute/maintain the CSR Committee; and
 - (ii) Comply with the provisions of this CSR Policy till such time as it again meets the criteria specified in Section 135(1) of the Act.

As per the provisions of Companies Act, 2013 and rules made thereunder, all the functions of CSR Committee will be discharged by the Board, till CSR Committee is constituted as per requirement of the Companies Act, 2013.

III DEFINITIONS AND INTERPRETATION

In this Policy unless the context otherwise requires:

1. "Act" means the Companies Act, 2013 and its subsequent amendments from time to time such as Companies (Amendment) Act 2020;
2. "Board" means the Board of Directors of the Company.
3. "Company" means Kailash Hospitals Limited.
4. "CSR Activities" mean such programs and projects as may be approved by the Board in terms of this CSR Policy.
5. "CSR Committee" means a committee constituted by the Board of Directors in terms of Section 135 of the Act and the CSR Rules.
6. "CSR Rules" mean the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.
7. "CSR Expenditure" means the amount recommended by the Board/CSR Committee, as the case may be, to be incurred on the CSR Activities in India in terms of the Act and the CSR Rules as approved by the Board from time to time.
8. "Director" means a member of the Board of the Company.
9. "Implementing Agency" means an implementing agency as defined under paragraph IV(3).
10. "Implementation Group" means an implementation group as defined under paragraph IV(2).
11. "Net Profit" means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include
 - (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.

12. "Ongoing Project" means a multi-year project undertaken by the Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it 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;
13. "Society" means a society registered under the Societies Registration Act, 1860 or any other applicable law in India.
14. "Trust" means a public charitable trust registered under the Indian Trusts Act, 1882 or any other applicable law in India. Any term not defined above, shall have the meaning assigned to it under the Act or the CSR Rules.

IV IMPLEMENTATION OF THE CSR POLICY

1. The Board shall be responsible for implementing the mandate of the CSR Policy and ensure that the CSR Activities are carried out in accordance with the CSR Policy read with the Act and CSR Rules and the annual action plan formulated and recommended by the CSR Committee.
2. The Board/CSR Committee may constitute an implementation group for the purpose of effective implementation of the CSR Activities approved by the Board from time to time (the "Implementation Group").
3. Mode of Implementation: The CSR Activities may be undertaken by the Company directly or through any of the following entities as "Implementation Agency" being duly registered with the Central Government and having a unique CSR Registration Number and comply with the other statutory requirements as per provisions of the Companies Act, 2013 and rules made thereunder :
 - (i) Company established under section 8 of Indian Companies Act 2013, or Trust, or Society registered under section 12-A and 80-G of the Income Tax Act 1961, being established by the Company, either singly or along with any other company;
 - (ii) Company established under section 8 of Indian Companies Act 2013, or Trust, or Society, being established by (Indian) Central Government or (Indian) State Government;
 - (iii) Company established under section 8 of Indian Companies Act 2013, or Trust or Society registered under section 12-A and 80-G of the (Indian) Income Tax Act 1961, and having an established track record of at least three years in undertaking similar CSR activities; or
 - (iv) Any entity established under an Act of (Indian) Parliament or a (Indian) State Legislature.
4. The Company may also implement its CSR activities through Kailash Charitable Trust (KCT) which meets all the criteria of the Implementing agency as mentioned above. KCT is a trust registered under the Indian Trust Act, 1882 and engaged in various social welfare activities.

The Company may also collaborate with other companies, including its group companies, for undertaking projects or programmes or CSR activities in accordance with these rules.

5. In case of failure to ensure the minimum CSR Expenditure i.e. 2% (two percent) of average Net Profits of the Company made during the three immediately preceding financial years, detailed reasons for the same should be submitted to the CSR Committee and the Board. Further the Board may consider the same and also include such explanation in the Directors' report of the Company as per provisions of the Companies Act 2013.

V. CSR COMMITTEE

1. As per the provisions of the Companies Act, 2013 and rules made thereunder the Board shall constitute Corporate Social Responsibility (CSR) Committee as and when the same is required to be constituted. On formation, the CSR Committee shall be responsible for providing recommendations to the Board with respect to CSR Activities that may be undertaken by the Company in accordance with the CSR Policy as well as the Act and the CSR Rules.

2. Without prejudice to the generality of the foregoing, the CSR Committee shall be responsible for the following activities:

(i) Formulating and recommending CSR activities to the Board of Directors;
(ii) Recommend amount of expenditure;
(iii) Monitor CSR policy of the company; and
(iv) Formulate annual action plan in pursuance of the CSR policy in accordance with the applicable law, and inclusive of the following items:

(a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;

(b) the manner of execution of such projects or programmes;

(c) the modalities of utilization of funds and implementation schedules for the projects or programmes;

(d) monitoring and reporting mechanism for the projects or programmes; and

(e) details of need and impact assessment, if any, for the projects undertaken by the company.

3. The CSR Committee shall consist of at least two/ three directors of the Company. The number of members of the CSR Committee and their powers and functions can be specified, varied, altered or modified, from time to time, by the Board, subject to the provisions of the applicable law.

4. The CSR Committee shall hold meetings which shall be attended by minimum of two members of the Committee. The meetings shall be held at the registered office or at any other place as may be agreed by the members of the Committee.

5. All questions of interpretation or inconsistency which shall arise under, or as a result of, or pursuant to, or in connection with the implementation of the CSR Policy or any initiative or activities undertaken by the Company in terms of the CSR Policy, shall be referred to the CSR Committee for their inputs and the final decision/determination/ interpretation shall rest with the Board.

6. No member of the CSR Committee shall be personally liable for any decision or action taken in good faith with respect to the CSR Policy.

7. The Board shall be responsible for all the above functions of CSR Committee till such time same is constituted by the Board.

VI. CSR EXPENDITURE

1. The Company shall spend at least 2% (two percent) of average Net Profits of the Company made during the three immediately preceding financial years in accordance with the Act and the Rules and the CSR Policy.

2. The CSR Committee shall recommend to the Board the manner in which the CSR Expenditure shall be incurred in a year, in accordance with the Act & the Rules and the CSR Policy to the Board and based on the recommendation of the CSR Committee, the Board shall approve plan/project pertaining to CSR of the Company.

3. Any surplus arising out of the CSR Activities shall not form part of the business profit of the Company and may only be re-allocated to the CSR Activities being undertaken in terms of this CSR Policy and the annual action plan for the financial year in which such surplus has arisen.

4. In order to count towards CSR Expenditure, CSR Activities must be undertaken in compliance with the applicable laws and shall not include the following:

- (i) activities undertaken in pursuance of normal course of business of the company 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
- (ii) contribution of any amount directly or indirectly to any political party under Section 182 of the Act;
- (iii) activities benefitting employees of the company as defined in clause (k) of Section 2 of the Code on Wages, 2019 (29 of 2019);
- (iv) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services; and
- (v) activities carried out for fulfilment of any other statutory obligations under any law in force in India.

5. The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.

VII. CSR ACTIVITIES

1. The Board shall ensure that the CSR Activities as permissible under Schedule VII of the Companies Act, 2013 including any modification in the same, from time to time, are only undertaken. The activities permissible for CSR under Schedule VII of the Companies Act, 2013 are as under:

(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, woman, 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, 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) 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 arts 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 recognized 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 for social-economic development and relief and welfare 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 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 purpose of this item, the item 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under law for the time being in force;

(xii) Disaster management including relief, rehabilitation and reconstruction activities; and

(xiii) Any other project as may be specified under Schedule VII of the Companies Act, 2013, from time to time.

2. The CSR Activities will be carried out in a manner so as to undertake them in and around the local areas where the Company operates.

3. Based on the scope of activities set out in paragraph VII 1 above, the CSR Committee shall recommend specific activities to the Board for implementation by the Company.

4. The Board shall ensure that appropriate designated staff or personnel provide adequate assistance (viz. data collection, survey, quotations costs involved, etc.) to the CSR Committee to enable it to make necessary recommendations to the Board. For this purpose, the CSR Committee may also approach external consultants for assistance as it may deem fit at such costs as may be approved by the Board.

5. The proper details of the various CSR activities shall be presented to the Board by the CSR Committee for their review.

6. In case any of the CSR Activities to be undertaken are anticipated to be long term i.e. an ongoing project being of a term of 3 (three) years excluding the financial year in which it was commenced, then a detailed estimate on implementation schedule or milestones should be submitted by the CSR Committee to the Board.

7. Based on the recommendations of the CSR Committee, the Board shall approve the CSR

activities of the Company for a given financial year.

VIII. MONITORING PROCESS

1. To ensure that the objectives of CSR Policy are being met in an efficient and effective manner, the utilization of the amount sanctioned towards CSR Activities should be reported to the Board /CSR Committee, from time to time, in such form and manner as may be decided by the CSR Committee /Board.
2. In the event of any of the CSR Activities being undertaken through an Implementing Agency, the relevant information shall be obtained from the Implementing Agency and ensure that the progress on such CSR Activity is submitted to in such form and manner as may be decided by the CSR Committee /Board.
3. Notwithstanding anything to the contrary, the Board shall not be obliged to comply with the recommendations of the CSR Committee.

IX TREATMENT OF UNSPENT FUNDS

In the event that funds are not spent as prescribed by end of F.Y. for ongoing projects, the Company shall transfer unspent funds to Unspent Corporate Social Responsibility account within 30 days from the end of the F.Y. The funds so transferred would be used towards the Company's CSR obligations within a period of three financial years from the date of the transfer. In case the Company fails to utilise the funds by the end of the 3 (three) F.Ys., the funds would be transferred to an eligible fund or cause as per provision of the Schedule VII of the Companies Act 2013.

If the unspent amount does not relate to any ongoing project referred to in sub-section (6), the Company shall transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the F.Y.

X. AMENDMENT

1. The Board of the Company may, subject to compliance with applicable law, at any time alter, amend or modify the CSR Policy as it deems fit to comply with the statutory obligation of the Company to undertake the CSR Activities. Further the CSR Policy shall be treated as amended to extant changes in any laws and regulations related to CSR activities.