

# **CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

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## **SD BIOSENSOR HEALTHCARE PRIVATE LIMITED**

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## **1. INTRODUCTION**

- 1.1** In pursuant to section 135 of the Companies Act, 2013(the act) and the Companies (Corporate Social Responsibility Policy) Amended Rules, 2021 the (Rules)framed there under on this behalf, “Corporate Social Responsibility(CSR)”is a company’s mandatory commitment to contribute and operate in an economically, socially and environmentally sustainable manner.
- 1.2** Accordingly, henceforth, it is a continuing commitment for a company to perform ethically and contribute to economic development of the society at large. CSR, therefore, is not a mere philanthropic activity but also comprises of activities that require a company to integrate social, environmental and ethical concerns into the company's vision and mission through such activities.

## **2. IMPORTANT DEFINITIONS**

### **2.1 Administrative Overheads:**

“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 programme.

### **2.2 Corporate Social Responsibility (‘CSR’)**

CSR means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely:-

- Activities undertaken in pursuance of normal course of business of the company:

Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21,2021-22,2022-23 subject to the conditions that:

- (a) such research and development activities shall be carried out in

collaboration with any of the institutes or organisations mentioned in item(ix)of Schedule VII to the Act;

(b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;

- 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;
- Contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- Activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages,2019 (29 of 2019);
- Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- Activities carried out for fulfilment of any other statutory obligations under any law in force in India;

**2.3 CSR Policy :** A statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;

**2.4 Net Profit:**

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 section135 of the Act:

**2.5 Ongoing Project:** A multi-year project undertaken by a Company 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;

### **3. AIMS & OBJECTIVES**

**3.1** SD Biosensor Healthcare Private Limited (hereinafter referred to as “Company”) shall continue to enhance value creation in society through its primary business, and in this context the aim and objectives of the CSR activities of Company, enumerated in Schedule VII to the Companies Act, 2013 shall be to complement the primary business of the company with the overall social and environmental concerns related to its primary business.

**3.2** The Company intends to undertake its Corporate Social Responsibility in a strategic manner. The Company will leverage its financial and human resources, networks and expertise to create maximum impact for its stakeholders.

**3.3** In particular, and without prejudice to the generality of the foregoing, the key aims and objectives of the CSR Policy shall be to:

- (i) Ensure an increased commitment at all levels in the organization to operate its business in an economically, socially & environmentally sustainable manner;
- (ii) Include guiding principles for selection, implementation and monitoring of the activities as well as formulation of the Annual Action plan;
- (iii) Take up such programmes, whether directly and / or indirectly, which benefit communities and result, over a period of time, in enhancing the quality of life & economic well-being of the local populace;
- (iv) Generate, through its CSR initiatives, community goodwill for Company and help reinforce a positive & socially responsible image of Company as a corporate entity;
- (v) Encourage alignment with millennium development goals related to gender sensitivity, skill enhancement, entrepreneurship development etc.

### **4. CSR ACTIVITIES:**

In accordance with the provisions of the Companies Act, 2013, the CSR activities shall focus on:

- 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 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 and handicrafts;
- vi. Measures for the benefit to 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 for socio-economic development and relief and welfare of the Scheduled Caste, 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 Defense Research and Development Organization (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.

## **5. GOVERNANCE**

**The CSR Governance structure shall comprise of the CSR Committee and the Board of Directors of the Company.**

### **CSR COMMITTEE OF THE BOARD OF DIRECTORS**

**5.1** The CSR Committee provides oversight and guidance on CSR performance and monitor compliance with the CSR Policy, commitments and the applicable CSR provisions. The CSR functions of Company will be coordinated and monitored by CSR Committee as constituted by Board time to time for the successful implementation of the CSR policy of the Company. The CSR Committee shall meet at least once in a year. The progress report of CSR programmes under implementation shall be placed before the Board on regular basis.

**5.2** Roles and Responsibilities of the CSR Committee are :

- To assist the Board of Directors to formulate CSR policies and strategies which shall indicate the activities to be undertaken by the company as permissible under the provisions of the Companies Act 2013 and the rules made thereunder; Formulation of broad guidelines for selection, planning, execution, monitoring and evaluation of the projects as per the provisions of the Act;
- To recommend the annual CSR expenditure budget to the Board for approval;
- To Implement and monitoring the CSR activities as per the annual action plan;
- To monitor the Corporate Social Responsibility Policy of the company from time to time;
- To identify projects of the Company as ‘Ongoing Projects’ as per the provisions of the Act and recommend the same to the Board;
- To ensure implementation of CSR activities of the Company within the applicable framework;
- Formulation and recommendation to the Board of an annual action plan as per the provisions of the Act;
- To recommend the Board any alteration in the annual action plan during the year and. To undertake Impact assessment through third parties for CSR projects whenever applicable

#### **BOARD OF DIRECTORS**

- To review and approve the recommendations of CSR Committee.
- The Board to monitor and review the performance and impact of the CSR programmes, to provide input and course corrections if required and satisfies itself that the CSR funds so disbursed are aligned to the CSR Policy of the Company and have been utilized for the purposes and in the manner as approved by it.
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- Identification of Ongoing Project on the basis of criteria and framework.
- Financial Year wise allocation of funds.
- Monitoring the implementation of the Projects with reference to the approved timelines.
- Make modifications if required for smooth implementation of the project within the overall permissible time period.



## **6. RESOURCES & ALLOCATION OF FUNDS**

- 6.1** The CSR Committee shall recommend annual action to identify the CSR activities / projects to be undertaken during the year and should be approved by the Board of Directors
- 6.2** The budgetary allocation will be based on the net profit of the company, which shall not be less than 2% of the average net profits of three immediately preceding financial years (CSR Budget).
- 6.3** The annual budget earmarked for CSR activities shall have to be spent on implementation of activities in the project mode. The activities not implemented in project mode also have to be in conformity with these guidelines.
- 6.4** Budgetary allocations to a Specified Projects may be enhanced or curtailed, as the case may be, by CSR Committee, if found necessary after the receipt of approval by the Board of Directors.
- 6.5** The amount of administrative overheads shall not exceed the 5% of the total CSR expenditure of the company for the financial year.  
Further, these expenses would not include expenses incurred by the Company towards designing, implementation, monitoring and evaluation.
- 6.6** Any amount spend in excess of 2% of average net profits in the Financial Year, can be set-off in the immediate succeeding three financial years subject to the conditions as prescribed under the Act.
- 6.7** Any surplus/income arising out of the CSR Activities of the Company shall not be utilized for business or form part of business profits.

## **7. TREATMENT OF UNSPENT AMOUNT**

### **7.1 ONGOING PROJECT :**

Any Unspent CSR Amount belonging to an ongoing project(s) shall be transferred to the “Unspent Corporate Social Responsibility Account” (“Account”) to be opened with the any scheduled Bank within 30 days from the end of the financial year and such CSR amount as transferred to the account shall be spent by the Company towards its CSR obligation within a period of three financial years from the date of such transfer ., failing which the amount shall be transferred to the fund specified under schedule VII of the Companies Act, 2013 within 30 days from the date of completion of the third financial

year.

## **7.2 OTHER THAN ONGOING PROJECT:**

In case the Company fails to spend 2% of average net profit of the last three years in a financial year, the Company shall transfer such unspent amount to a fund as specified under schedule VII of the Companies Act, 2013 within 6 months from the end of the financial year and shall disclose the reasons for not spending the amount in the CSR Report.

## **8. THE IMPLEMENTATION MECHANISM**

### **A Identification of Thrust Areas:**

The thrust areas shall be identified by the CSR Committee on the basis of need identification studies (or) internal need assessment or receipt of proposals/requests etc. which shall fall within the ambit of the schedule VII of the Companies Act 2013 and are also in compliance with the aims and objectives specified above. All efforts must be made, to the extent possible, to define the following while identifying the CSR projects:

- Programme objective
- Base line survey
- Implementation schedule
- Responsibilities and Authorities
- Payment terms
- Major results expected and measurable outcome
- The activities would be taken up in a project mode with milestones and deadlines.
- Criteria and framework for selection of Ongoing and Non-Ongoing Projects and Programmes.

CSR activity can be carried out at any location of its choice including the backward regions within the country, giving preference to the local areas where the Company operates.

### **B Execution:**

B.1 CSR activities/programmes may be undertaken by the Company directly or through an Implementing agency or a combination of both.

B.2 The Implementing agency shall fulfill the criteria prescribed under the act

and shall be registered with the central government.

B.3 CSR Coordinator may be appointed by CSR committee who would be responsible for submitting the progress reports after review with the implementing agencies on projects approved in the identified thrust areas for consideration of the CSR Committee.

B.4 The CSR amount may be spent by the Company for creation or acquisition of Capital Asset as per the provisions of the Companies under the Act,2013.

CSR programs shall not include activities as restricted under the CSR Rules.

### **C Annual Action Plan**

C.1 CSR Committee shall formulate an Annual Action Plan for the Company Which shall include the following:

- a. List of CSR projects or programmes in areas or subjects specified in Schedule VII of the Act.
- b. Manner of execution of such projects or programmes.
- c. Modalities of utilization of funds and implementation schedules for the projects or programmes.
- d. Monitoring and Reporting mechanism for the projects or programmes.
- e. Details of need and impact assessment, if any, for the projects undertaken by the company.

C.2 Annual Action Plan shall be recommended to the Board of Directors who may alter such plan based on the reasonable justification.

### **D Monitoring, Evaluation and Impact Assessment of CSR Activities**

D.1 CSR Committee shall be responsible for monitoring the implementation of projects and shall provide reports to Board of directors from time to time and ensure that the project gets completed within the specified time period.

The progress report of the activities undertaken shall be reported to CSR Committee from time to time.

D.2 Annual Certification on funds disbursement and utilization shall be certified by the Chief Financial Officer or the person responsible for financial management shall certify to the effect and shall be placed before the Board.

D.3 Impact Assessment - In the event of average CSR obligation of Rs. 10 crores or more in the three immediately preceding financial years, the Company shall ensure that impact assessment through an independent agency is carried out for CSR projects having an outlay of Rs. 1 crore or more. Expenditure incurred for such assessment shall not exceed 5% of the total CSR expenditure for the financial year or 50 lakh rupees, whichever is less. The impact assessment report shall be placed before the Board of Directors and shall be annexed to the Annual Report on CSR.

#### **E. Documentation & Reporting**

E.1 The CSR approach including the base-line data (wherever applicable) made available at the start of the project and the impact so quantified on completion of the project shall be documented for record purposes and future use as well as for sharing of experience.

E.2 The CSR Policy and Projects approved by Board of Directors shall be uploaded on Company's website, if any for public access.

E.3 The CSR projects / programmes / activities / initiatives of the company will be reported in the Annual Report of the Company in the manner and form prescribed under the Act and Rules.

### **9. GENERAL**

The power to interpret & administer the policy shall rest with CSR Committee which is also empowered to make any supplementary rules/orders to ensure effective implementation of scheme subject to approval of Board of Directors.

Any or all provisions of the CSR policy would be subject to revision / amendment in accordance with the guidelines on the subject pursuant to provisions of the Act or as may be issued by the Government, from time to time.

### **10. MISCELLANEOUS**

Company reserves the right to modify, add, delete or amend any of the provisions of this Policy.

This policy will supersede/override any previous policy made in this regard (if any).