

# **MEDSOURCE OZONE BIOMEDICALS PRIVATE LIMITED**

## **Corporate Social Responsibility (CSR) Policy**

**(Effective and Adopted with effect from 01.12.2018)**



### **1. Concept**

Corporate Social Responsibility (CSR) has been in existence for a long time and is almost as old as civilization. It is based on the Principle of “trusteeship concept” whereby business houses are looked upon as trustees of the resources they draw from society and thus are expected to return them back manifold. Corporate Social Responsibility is strongly connected with the principles of Sustainability; an organization should make decisions based not only on financial factors, but also considering the social and environmental consequences. As a Corporate Citizen receiving various benefits out of society, it is our co-extensive responsibility to pay back in return to the society in terms of helping needy people by providing foods, clothes, medical, etc., keeping the environment clean and safe for the society by adhering to the best industrial practices and adopting best technologies, and so on. It is the Company’s intent to make a positive contribution to the society in which the Company operates.

Further to the above stated, the Board has approved this CSR Policy which has been formulated and proposed by the CSR Committee with an objective to outline its CSR focus areas, recommending the amount of CSR Expenditure, execution process, review & monitoring mechanism, and, reporting process to the Management and the Board of Directors of the Company.

## **2. Short Title & applicability**

With the promulgation of the Companies Act, 2013 (Act) on September 2013 and the notification of Section 135 of the Act read with in Schedule VII to the Act, dealing with the aspect of corporate social responsibility as also of the Rules laid down to such effect to the Act, which have come into force on the 1st day of April, 2014 ( the CSR Rules), it has become mandatory for all the Corporate entities falling within the purview of the limits as to Networth, Turnover or Profitability as laid down in the said section read with the CSR Rules, to undertake any one or more of the activities as laid down thereunder, towards the discharge of their responsibility towards the society in general (the "Corporate Social Responsibility" or briefly "CSR").

The Company being a corporate entity falling within the purview of Section 135 of the Act read with CSR Rules, the Committee constituted by the Board of Directors of the Company ("Board"), has in exercise of its authority and discharge of its responsibility, formulated a CSR Policy, which has been approved by the Board as the Corporate Social Responsibility Policy of the Company, elaborated as under:

## **3. Policy Objective**

Corporate Social Responsibility is a form of corporate self-regulation integrated into a business model. Therefore, the Policy will function as a built-in, self regulating mechanism whereby the business will monitor and ensure its active compliance with the spirit of law, ethical standards and international norms. The main objective of this Policy is to set a guiding principle for carrying out CSR activities by the Company and also to set up process of execution, implementation and monitoring of the CSR activities to be undertaken by the Company.

## **4. DEFINITIONS& INTERPRETATIONS**

1. "Company": means MEDSOURCE OZONE BIOMEDICALS PRIVATE LIMITED
2. "CSR" means corporate social responsibility.
3. "Companies Act" shall mean the Indian Companies Act, 2013, along with amendments thereto.
4. "CSR Activities" shall mean the permissible CSR activities as per Schedule VII.
5. "CSR Committee" shall mean the CSR Committee of the Board instituted by the Company.
6. "CSR Rules" shall mean the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.
7. "CSR Expenditure" shall mean the CSR expenditure proposed under this Policy and providing the corpus amount in furtherance of this Policy.
8. "Estimated CSR Expenditure" shall mean the actual estimate of the CSR Expenditure for each year as has been approved for each year.

Words and expressions used and not defined hereinabove but defined the Act and / or Rules shall have the same meanings respective assigned to them in the Act and / or Rules, as the case may be.

It is also clarified that the CSR activities undertaken by the Company in the area of healthcare without any statutory obligation to do so shall also be considered as CSR activity for the purpose of this Policy.

## **5. CSR Committee**

- i. Composition: The Corporate Social Responsibility Committee (CSR Committee) shall consist of two or more directors. Current composition shall be :
  - a. Mr. Shailesh Kumar Mittal
  - b. Mr. Prateek Kumar Mittal
- ii. Role: The Committee, referred above, shall
  - a) Formulate and recommend to the Board the CSR Policy and any amendments thereof which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act 2013;
  - b) Recommend the amount of expenditure to be incurred on the activities, as per CSR Policy and Based on the approval of the Board, required funds shall be infused into the CSR activities. The same shall constitute the CSR Contribution of the Company for the relevant financial year.
  - c) The Committee shall institute a transparent monitoring mechanism for implementation of the CSR activities, towards which end, progress updates on CSR activities undertaken, shall be submitted to the Board, from time to time.
  - d) Any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.
- iii. Meetings: The CSR Committee shall meet as and when deemed necessary.
- iv. Quorum: Quorum of meeting of CSR Committee shall be one third of the total strength or two directors, whichever is higher.
- v. The CSR Committee may invite Executives, Advisors, Consultants, representatives of Social Organizations, Auditors of the Company and such other person (s) as it may consider necessary to attend the meeting.

## **6. List of Activities/Projects**

The Company shall undertake any of the following Activities/Projects as enumerated in Schedule VII of the Companies Act 2013 or such other activities/ projects as may be notified by the Ministry of Corporate Affairs from time to time as a part of the Corporate Social Responsibility ("CSR") which shall include:

- i.** Eradicating hunger, poverty and malnutrition, promoting preventive health care and 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, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;
- 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;
- vi.** promotion and development of traditional arts and handicrafts;
- vii.** Measures for the benefit of armed forces veterans, war widows and their dependents;
- viii.** Training to promote rural sports, nationally recognised sports, Paralympic and Olympic sports;
- ix.** 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 scheduled castes, the scheduled tribes, other backward classes, minorities and women;
- x.** Contribution or funds provided to technology incubators located within academic institution which are approved by the Central Government;
- xi.** Rural development projects;
- xii.** Any other activities in relation of the above and all other activities which forms part of CSR as per Schedule VII of the Act, 2013 (the "Act") as amended from time to time. (Collectively hereinafter referred to as "CSR Activities") The CSR Activities shall be undertaken only in India for the benefit of the public and not only for the employees of the Company and their family. Provided that the preference shall be given to the local areas and areas where the Company operates for undertaking the CSR Activities.

## **7. PRIMARY IMPORTANT SECTORS**

### **A. Health & Hygiene**

- a. Supporting and facilitating surgery and high end treatment.
- b. Preventive healthcare to underprivileged in identified geographies
- c. Personal hygiene training in those villages which have been identified by the Company and in those locations where Health and Immunization camps are organized by the Company
- d. Environmental hygiene awareness in and around the areas of operations of the Company
- e. Supporting all types of blood testing and other testing devices by means of kits and free samples etc.
- f. Healthcare aids which will cover pan-India immunization, surgeries and treatments, health camps, medicinal support, health awareness, environmental awareness, support for artificial limbs & polio callipers and other disability.

**B. EDUCATION** (exclusively for the selected Village / Grams / any other geographical clusters selected for development project)

- a. Augment Primary and Secondary Education through remedial education support
- b. Financial Literacy to create awareness about financial planning
- c. spreading awareness about the latest products and upcoming technological devices usable with healthcare

### **C. NUTRITION**

- a. Vitamin A (0-5 years) and other supplements for underprivileged women and children

### **D. LIVELIHOOD**

- a. Vocational training and creating & supporting Self Help Groups for single women led households in villages identified for adoption by the Company. The vocations for which training will be provided will be identified basis their inherent skill sets and commercial opportunities for those vocations in and around the village.

## **8. Quantum of Amount to be spent on CSR Activities**

- i. For achieving its CSR objectives through implementation of meaningful & sustainable CSR programs, the Company will allocate minimum 2% of its average net profits made during the three immediately preceding financial year as its Annual CSR Budget.
- ii. The Annual CSR Budget shall be spent on activities laid down in this Policy.

- iii. Any surplus arising and/or additional revenue generated out of CSR Activities undertaken by the Company shall not form part of the business profit of the Company and same shall be spent for undertaking any CSR Activities only.

## **9. Implementation of CSR Activities**

- i. The Company may undertake CSR Activities through a registered trust or society or any company, established by the Company, its holding or subsidiary Company under Section 8 of the Act for such non-for-profit objectives. Provided that the Company can carry out the CSR Activities through such other institutes having an established track record of 3 (three) years in undertaking the CSR Activities.
- ii. The Company may collaborate with other companies for undertaking the CSR Activities subject to fulfilment of separate reporting requirements as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the "Rules").
- iii. The scope of this policy will extend to activities as stated under Schedule VII of the Companies Act, 2013, as presently in force. The scope of the policy to also include all additional and allied matters, as will be notified by Ministry of Corporate Affairs or such other body, as appointed / notified by Central or State Government, from time to time for this purpose.
- iv. If the Company fails to spend, the amount stated hereinabove, then reason for not spending shall be stated in the Directors Report.
- v. CSR programmes will be undertaken by various work centres i.e. Corporate office, units and other business places of the Company in India to the best possible extent within the defined ambit of the identified Project/ Program.
- vi. The time period/duration over which a particular programme will be spread, will depend on its nature, extent of coverage and the intended impact of the programme.
- vii. The process for implementation of CSR programmes will involve the following steps :

**Identification of programmes** will be done by means of the following:

- (a) Need identification Studies by the Senior Management/ professional institutions/agencies.
- (b) Internal need assessment by cross-functional team at the local level.
- (c) Receipt of proposals/requests from District Administration/local Govt. etc.
- (d) Suggestions from the Board of Directors/senior management level.

## **10. Procedure for CSR Activities**

- i. The Committee shall recommend the Board suitable CSR Activities to be undertaken during for the financial year along with the detailed plan, modalities of execution, implementation schedule, monitoring process and amount to be incurred on such activities;
- ii. The Board shall give its approval based on the recommendation of the Committee and in compliance of this Policy;
- iii. The Committee, after approval, shall submit its report giving status of the CSR Activities undertaken, Expenditure Incurred and such other details as may be required by the Board.

## **11. Exclusions:**

- i. The CSR Activities shall not include any activity undertaken by the Company in pursuance of normal course of business of the Company.
- ii. The Company shall not make any payment directly or indirectly to Political Party(ies) for CSR Activities.
- iii. The CSR projects or programs or activities that benefit only the employees of the company and their families shall not be considered as CSR activities in accordance with section 135 of the Act.
- iv. Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the company but should be added in the CSR Fund.

## **12. MONITORING AND FEEDBACK**

- i. To ensure effective implementation of the CSR programmes undertaken at each work centre, a monitoring mechanism will be put in place by the work centre head.
- ii. The progress of CSR programmes under implementation at work centre will be reported to corporate office on a monthly basis.
- iii. Work centres will try to obtain feedback from beneficiaries about the programs implemented at the area.
- iv. Appropriate documentation of the 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 in the public domain.
- v. CSR initiatives of the Company will be reported in the Annual Report of the Company & the Board's Report in compliance with Section 135 and rules made thereunder.

### **13. GENERAL**

- i.** In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to CSR Committee. In all such matters, the interpretation & decision of the Committee shall be final.
- ii.** Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from Government, from time to time.
- iii.** The CSR Committee reserves the right to modify, add, or amend any of provisions of this Policy subject to approval of the Board.
- iv.** Any term or aspect not specifically defined or set out in this Policy shall be construed to mean what is laid down in respect thereof under the Act or the CSR Rules.

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