SHANMUGA HOSPITAL LIMITED

(Formerly Known as Shanmuga Hospital Private Limited)

REGISTERED OFFICE:
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CORPORATE SOCIAL RESPONSIBILITY POLICY

CONTENTS

1. **PREAMBLE 3**
2. **OBJECTIVE 3**
3. **RESPONSIBLITIES OF BOARD 3**
4. **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE 4**
5. **CSR ACTIVITIES 5**
6. **DISQUALIFYING ACTIVITIES FOR CSR 7**
7. **MODE OF IMPLEMENTATION 7**
8. **CSR SPENDING 8**
9. **TREATMENT OF UNSPEND CSR AMOUNT 8**
10. **CSR REPORTING 9**
11. **DISCLOSURE 9**
12. **AMENDMENT 9**

1. PREAMBLE

The Corporate Social Responsibility **("CSR")** Policy has been formulated in accordance with the provisions of Section 135 of the Companies Act, 2013 **("the Act")**, read with Companies (Corporate Social Responsibility Policy) Rules, 2014 **("Rules")** and Schedule VII of the Companies Act, 2013 as amended from time to time.

2. OBJECTIVE

As a healthcare provider, fulfilling its social responsibilities alongside its normal business activities, SHANMUGA HOSPITAL LIMITED through objectives of CSR aims at bringing an impact in the communities wholesomely and positively, which includes

a) Building awareness on health issues;
b) Improving access to basic healthcare facilities for economically weaker sections of society and at times of disaster;
c) Develop and implement the education, healthcare, water and sanitation, infrastructure development and elderly care projects for sustainable socio-economic development of the rural areas
d) To identify and develop infrastructure facilities which caters the growth of urban areas.

3. RESPONSIBLITIES OF BOARD

(i) To constitute a CSR Committee consisting of two or more Directors if the CSR liability exceeds the threshold limit of Rs. 50 Lakh or any such amount as may be prescribed from time to time;
(ii) To approve the CSR Policy upon recommendation by the CSR Committee;
(iii) To approve the CSR projects, budget, annual action plan and review the expenditures;
(iv) To oversee monitoring mechanism in place, to track the progress of each project;
(v) Any other functions as per the provisions of the Act and CSR rules.

4. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

4.1. CONSTITUTION:

The CSR Committee comprises of the following members:

Name of the Director	Status in Committee	Status of Directorship
CA A S Gowri	Chairman	Independent Director
Dr. P S Panneerselvam	Member	Managing Director
Dr. Prabu Sankar P	Member	Executive Director & CEO

The Board has the power to constitute or reconstitute the CSR Committee from time to time in accordance with the provisions of Section 135 of the Companies Act, 2013.

4.2. FREQUENCY OF MEETINGS

The meetings of the Committee could be held at such periodic intervals as may be required. Members of the CSR Committee can mutually agree on the time and place for the said meetings.

4.3. QUORUM

Quorum for the meeting shall be two. The Members of the Committee may participate in the meeting either in person or through video conferencing or other audio visual means in accordance with the Act and the Rules made thereunder from time to time.

4.4. CHAIRMAN

Mrs. CA A S Gowri had been elected as the Chairman of the CSR Committee. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

4.5. ROLE AND FUNCTIONS OF CSR COMMITTEE

The scope, functions and the terms of reference of the Corporate Social Responsibility Committee is in accordance with the Section 135 of the Companies Act, 2013 read with rules framed thereunder.

Set forth below are the role of our Corporate Social Responsibility Committee:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which will indicate the activities to be undertaken by the Company in accordance with Schedule VII of the Companies Act, 2013 and the rules made there under, as amended, monitor the implementation of the same from time to time, and make any revisions therein as and when decided by the Board;
- To identify Corporate Social Responsibility Policy partners and Corporate Social Responsibility policy programmes;
- To review and recommend the amount of expenditure to be incurred on the activities referred to in clause (a) and the distribution of the same to various Corporate Social Responsibility programs undertaken by the Company;
- To delegate responsibilities to the Corporate Social Responsibility team and supervise proper execution of all delegated responsibilities;
- To review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programme;
- Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board, from time to time, and
- Exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act, 2013.

Frequency of meeting and quorum thereof shall be in accordance with the provisions of the Companies Act, SEBI LODR Regulations and Secretarial Standards issued by the Institute of Company Secretaries of India.

5. CSR ACTIVITIES –IMPLEMENTATION

The Company shall undertake CSR activities for development of the underprivileged people in underdeveloped areas, particularly in the vicinity of the areas where the Company's operated its hospital and healthcare facilities but not limited thereto.

CSR Committee shall have full discretion to choose CSR projects or programs and to specify or modify the modalities of execution of such programs and to determine implementation schedules.

5.1. THE COMPANY SHALL UNDERTAKE CSR ACTIVITIES WHICH ARE BROADLY RELATED TO ANY OF THE FOLLOWING

(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation;

(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; 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) Rural development projects;

(ix) Development of area declared as “slum area” by the Government or Competent Authority;

(x) Disaster management, including relief, rehabilitation and reconstruction activities.

The Committee may also contribute to funds specified under Schedule VII of the Companies Act, 2013 and other activities as amended thereto from time to time.

6. DISQUALIFYING ACTIVITIES FOR CSR

The Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time, ("the CSR Rules") disqualifies:

(i) CSR projects and programs that are implemented by the Company for benefit of the employees of the Company and their families as defined in clause (k) of section 2 of the Code on Wages, 2019;

(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) Any amount directly or indirectly contributed towards any political party under Section 182b 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 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.

7. MODE OF IMPLEMENTATION

CSR programs, projects or activities of the company should be implemented through following methods:

(i) Directly by the company;

(ii) Implementing Agencies registered with Ministry of Corporate Affairs;

(iii) Any foundation or body incorporated by the company and eligible to undertake such CSR projects;

(iv) in collaboration with other organizations/group companies.

8. CSR SPENDING

(i) The company shall endeavor to achieve the objectives of CSR Policy and the Board shall ensure to allocate and spend every financial year minimum 2% of its "*average net profits"* made during the three immediately preceding financial years towards its CSR activities as specified under the provisions of Section 135 of the Companies Act, 2013, as approved by the Board. The "average Net Profits" shall be calculated in accordance with the provisions of Section 198 of the Act and the rules framed there under from time to time.

(ii) The Administrative Overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.

(iii) Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

(iv) Where a company spends an amount in excess of requirement provided under sub-section (5) of section 135 , such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that –

i. the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule.

ii. the Board of the company shall pass a resolution to that effect.

9. TREATMENT OF UNSPENT CSR AMOUNT

If the Company fails to spend the required amount in a particular financial year, the treatment of unspent CSR amount shall be as under:

(i) In case unspent amount not relating to ongoing Project:

- The Board of Directors in their Annual Report pertaining to that particular Financial Year shall specify the reasons for not spending the amount; and
- The Company shall transfer such unspent amount to a Fund specified in Schedule VII, within a period of 6 (Six) months of the expiry of the said financial year.

(ii) In case unspent amount relating to any ongoing Project:

- The Company shall open a special account in any scheduled bank to be called "Unspent Corporate Social Responsibility Account" and transfer such unspent amount, within a period of 30 (Thirty) days, from the end of that financial year to above mentioned 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 3 (Three) financial years from the date of such transfer.
- If the after completion of third year also the amount remains unspent, 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.

10. CSR REPORTING

The Board's Report of the Company shall include an annual report on CSR containing particulars as specified under Section 135 of the Act read with the CSR Rules.

11. DISCLOSURE

This Policy will be posted on the Company's website and web link thereto will be disclosed in the Board's Report of the Company.

12. AMENDMENTS

The CSR Committee shall provide recommendations as and when it deems necessary to the Board so as to amend/ modify/ revise the CSR Policy or to replace the Policy entirely with a new Policy. The Board reserves the right to modify, cancel, add, or amend its CSR Policy.

However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

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