



SAHAJANAND MEDICAL TECHNOLOGIES LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Name	Corporate Social Responsibility (CSR) Policy
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Introduction

The Board of Directors (“**the Board**”) of Sahajanand Medical Technologies Limited (“**the Company**”) have adopted this Policy on Corporate Social Responsibility (“**Policy**”) in accordance with the provisions of Section 135 of the Companies Act, 2013 (“**Act**”) read with Schedule VII of the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014 (“**CSR Rules**”), each as amended from time to time and the notifications and circulars issued by the Ministry of Corporate Affairs from time to time (“**CSR Regulations**”)

Interpretation

All the words and expressions used herein and not defined shall have the same meaning as ascribed to them in the CSR Regulations and any other relevant legislation applicable to the Company.

Purpose & Scope

Corporate Social Responsibility (“**CSR**”) is the commitment of companies to provide resources and support activities focussed on enhancing economic and social development. It is the effort made by companies to improve the living conditions of the local area in which they operate. The activities taken up as a part of CSR reflect the intent to create a positive impact on society without seeking any commensurate monetary benefits.

CSR has been a long-standing commitment at the Company and forms an integral part of our activities. The Company was founded with an aspiration to make critical healthcare affordable for the masses. The desire to address the most urgent needs of the society continue to inspire and motivate all the stakeholders of the Company today.

Being a responsible corporate citizen, the Company is committed to performing its role towards the society at large. In alignment with its vision, the Company shall continue to work towards adding value to its stakeholders by going beyond business goals and contributing to the well-being of the society.

The Policy of the Company sets out the framework guiding the Company’s CSR activities. The Policy also sets out the rules that need to be adhered to while taking up and implementing CSR activities.

Governance Structure

The CSR Committee is the governing body that will define and recommend to the Board of Directors (“**Board**”) by way of Annual Action Plan, the scope of CSR activities for the Company and ensure compliance with the Policy. The CSR Committee would comprise three or more directors including at least one independent director.



1. The CSR Committee shall:
 - a. Formulate the Policy and recommend the same to the Board and any amendments thereto from time to time;
 - b. Indicate the activities to be undertaken by Company as specified in Schedule VII to the Act and the rules made thereunder;
 - c. Review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company and the Annual Action Plan, to the Board;
 - d. Monitor the CSR activities and ensure compliance with the Policy and reporting mechanism from time to time;
 - e. Review and implement, if required, any other matter related to CSR initiatives.
2. The Committee shall meet as required from time to time.
3. The Board shall:
 - a. Review and approve the Policy based on the recommendation of the CSR Committee.
 - b. Approve the CSR activities and Annual Action Plan based on the recommendation of the CSR Committee.
 - c. Monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time.

Operating Framework

1. CSR activities will be undertaken in the areas identified by the CSR Committee in line with the Policy and as specified in Schedule VII of CSR Regulations. An annual CSR plan shall be presented to the CSR Committee and based on its recommendations to the Board of Directors for approval.
2. The Annual Action Plan shall incorporate the following:
 - a. The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of CSR Regulations;
 - b. The manner of execution of such projects or programmes;
 - c. the modalities of utilisation of funds and implementation schedules for the projects or programmes, which shall include expenditure on administrative overheads both directly and indirectly and employee costs;
 - 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 Board shall ensure that the CSR activities are undertaken by the Company itself or through:
 - a. A company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income



Tax Act, 1961 (43 of 1961), established by the Company, either singly or along with any other Company;

- b. A company established under section 8 of Act or a registered trust or a registered society, established by the Central Government or State Government;
- c. Any entity established under an Act of Parliament or a State legislature;
- d. A company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) to (via) of clauses (23C) of section 10 or registered under section 12A and approved under 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities, in the manner prescribed under the CSR Regulations, as amended from time to time.

Further, entity mentioned in point (c) above means a statutory body constituted under the Act of Parliament or State Legislature to undertake activities covered in Schedule VII of CSR Regulations.

Further, every entity mentioned above shall have CSR Registration Number before undertaking any CSR activities.

4. The Company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per the Policy as well as for capacity building of their own personnel for CSR.
5. The Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programmes in accordance with CSR Regulations.
6. Funds would be disbursed either in tranches or as one-time payment. The terms, conditions and timing of disbursement would be conditional upon the nature and requirement of the CSR project or programme.

CSR Spending

The Company may, in every financial year, spend such amounts on its CSR activities as the CSR Committee may authorize from time to time subject to the limits as approved by the Board, provided that the Board shall ensure that the CSR expenditure is in compliance with the CSR Regulations. The Company shall undertake CSR spending in accordance with the CSR Regulations.

Any unutilized mandatory CSR budget as per the CSR Regulations will be transferred to a Fund specified in Schedule VII within the statutory timelines except in case of an ongoing project.



“Ongoing Project” means a multi-year project undertaken by a Company in fulfilment of its CSR obligation 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.

In case of Ongoing Project, the Board of the Company shall monitor the implementation of the CSR project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

Any amount remaining unspent pursuant to any Ongoing Project shall be transferred 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 CSR Account, within a period of thirty days from the end of the financial year. Such amount shall be spent by the Company in pursuance of its CSR obligation in relation to Ongoing Projects 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.

Any income arising from the CSR projects or programmes undertaken by the Company and surplus generated therefrom shall be:

- i. Tracked and channelized into CSR projects or Programmes or
- ii. Transferred to the Unspent CSR Account and spent in pursuance of the Policy and annual action plan of the Company or
- iii. Transferred to a Fund specified in Schedule VII, within a period of six months from the end of the financial year.

Excess spending

Where the Company spends an amount in excess of its CSR obligation required under the Act, subject to approval of the Board of Directors of the Company, such excess amount, excluding surplus arising out of the CSR activities, can be set-off against the CSR spends up to immediate succeeding three financial years or such other period as may be prescribed in the CSR Regulations.

Monitoring

The CSR Committee shall ensure a transparent monitoring mechanism for CSR activities.

1. The progress of the CSR activities shall be reviewed regularly, including the annual review by the CSR Committee.



2. The Chief Financial Officer shall be responsible for monitoring expense on CSR activities with respect to the planning and submission of the same to the CSR Committee and the Board.
3. The Board of Directors shall review the progress of CSR activities based on the recommendation of CSR Committee.
4. The Board shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer of the Company or the person responsible for financial management shall certify to that effect.
5. The Company shall undertake impact assessment of its CSR projects/programmes as per the provisions of the CSR Regulations.

Corporate Social Responsibility Activities

Company's primary focus areas for CSR activities are:

1. Healthcare and Medical Relief
2. Education
3. Vocational Skills
4. Women Empowerment
5. Environment and Sustainability
6. Activities covered under Schedule VII

The following shall not be considered as CSR activities:

- Activities which are undertaken pursuant to normal course of Company's business;
- Contribution of any amount directly or indirectly to any political party;
- Activities on sponsorship basis for deriving marketing benefits;
- Activities carried out for fulfilment of any other statutory obligations under any law in force in India;
- Activities benefitting employees of the Company unless they form part of the community for whom CSR activities are undertaken;
- Activities undertaken outside India excepting of those meant for sports persons to be trained for representing at the international level.

Disclosure

The Board's Report of the Company pertaining to any financial year shall include an annual report on CSR containing particulars specified in the CSR Regulations, as applicable to the Company (including the reasons for not spending the required amount as per the CSR Regulations, unless the unspent amount relates to any ongoing project as referred in the policy).

The above information shall also be displayed on the Company's website.



This Policy shall also be posted on the website of the Company at www.smtpl.com and the salient features of the Policy and the changes therein, if any, with the web address of the Policy shall be disclosed in the report of Board of Directors of the Company.

Review and Amendment

- i) This Policy is framed based on the provisions of CSR Regulations. In case of any subsequent changes in the provisions of the CSR Regulations, which makes any of the provisions in the Policy inconsistent with the CSR Regulations, then the provisions of the CSR Regulations would prevail over the Policy.
- ii) Any change, amendment, or addition to this Policy shall require prior approval of the CSR Committee and the Board. However, the Company Secretary is authorized to make amendments to this Policy to give effect to any changes or amendments notified by Ministry of Corporate Affairs. Such amendments shall be placed before the CSR Committee and the Board for noting and ratification at its subsequent meeting.
- iii) Company Secretary in coordination with Chief Financial Officer of the Company shall periodically review this Policy and recommend any proposed changes to the CSR Committee and the Board for approval.

Limitation

In the event of any conflict between the provisions of this Policy and the CSR Regulations or any other relevant legislation/ regulation applicable to the Company, the provisions of the CSR Regulations or such other relevant law / regulation shall prevail over this Policy.
