

ENTERO HEALTHCARE SOLUTIONS LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

The policy is adopted by the Board of Directors in their meeting held on October 19, 2022

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PREAMBLE

Acceptance of the communities and societies in areas where companies operate is the key to sustain in the long-term and create shareholder value. Society in retrospect depends on businesses to provide critical economic and community benefits. Entero Healthcare Solutions Limited ('the Company') believes in aligning its values with social goals. We believe CSR is a prerequisite for sustainability and a core part of our main-stream business. Creating social change embodies our values and we continue our actions for social change through replicable and sustainable solutions.

OBJECTIVE

Corporate Social Responsibility (CSR) Policy (hereinafter referred as the "CSR policy") of the Company is committed to achieve the goals of sustainable development by integrating economic, environmental and social imperatives, which recognizes the interests for all its stakeholders.

It ensures complying with the projects/programmes that are for the upliftment of the society, socially and environmentally, enhancing the quality of life and economic well-being of the deprived and under-privileged.

CSR VISION:

The philosophy of the Company is "Serving Life" by providing quality products at affordable prices to the society. In line with the company philosophy, our CSR vision endeavors to provide the best services to the society with the commitment that "We Are There to Care" and subsequently promoting the sustainable growth for the society where it operates.

To actively contribute to the community and environment in which we operate through our initiatives, services and conduct so as to enable sustained growth for the society and communities in our role of being a socially responsible organisation.

APPLICABILITY:

The CSR Policy of Entero Healthcare Solutions Limited (hereinafter referred as "Entero" and / or "the Company") shall apply to all CSR projects/ programmes undertaken by the Company in accordance with provisions of the Companies Act, 2013 read with schedules and rules made thereunder, as amended from time to time ("the Act").

ACTIVITIES UNDER / MISSION OF CORPORATE SOCIAL RESPONSIBILITY:

The Company considers practicing its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders. Therefore, the areas of activities that will be considered are listed hereby: -

- a. Promoting healthcare including preventive health care practices, sanitation, contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and providing safe drinking water and eradicating hunger, poverty, malnutrition;
- b. Directing actions towards different aspects of education - including special education, employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- c. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- d. Conservation of natural resources, ensuring environmental sustainability, protection of flora and fauna, animal welfare, ecological balance, agroforestry and maintaining quality of soil, air and water, contribution to the CleanGanga Fund set-up by the Central Government for rejuvenation of river Ganga;
- e. Protection and restoration of national heritage, art and culture, setting up public libraries and promotion & development of traditional art & handicrafts;
- f. Contribution and support 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];
- g. Encouraging and promotion of rural sports, nationally recognized sports, paralympic sports and olympic sports;
- h. 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 funds/trusts set up by the Central Government for socio-economic development and relief & welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women;

- i. Contribution or funds provided to technology incubators located within academic institutions;
- j. Contribution to universities, institutes, laboratories, departments and ministries of the government, autonomous institutes, bodies and organizations engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- k. Rural development projects;
- l. Slum area development;
- m. Contribution and support towards disaster management, including relief, rehabilitation and reconstruction activities;
- n. To lay down guidelines to make CSR a key business process for sustainable development;
- o. To promote sustainable development through water stewardship;
- p. To empower and support the needs of communities near our operating locations;
- q. To promote access to healthcare to enhance quality of life and wellbeing;
- r. To undertake direct and indirect projects which will enhance quality education and sustainable livelihood opportunities;
- s. To encourage and leverage employee volunteering, expertise and networks to address the community needs;
- t. To promote Olympic level sports and place India on the global map; and,
- u. Such other areas and activities not included hereinabove, as may be allowed from time to time, by the Ministry of Corporate Affairs under the Act.

FUND ALLOCATION:

- 1) The CSR activities to be undertaken by the Company under the Policy shall be approved by way of Annual Action Plan by the Board on the recommendation of the CSR Committee, if applicable.

- 2) The CSR budget will be allocated after considering the recommendations of the CSR Committee, if applicable and considering the nature of projects/programmes in line with the objectives of CSR policy and in accordance with the rules and regulations of the Government from time to time.
- 3) The Company will ensure that it spends in every financial year, at least 2% of its average net profits of the three immediately preceding financial years calculated in accordance with the provisions of the Act.
- 4) The Company may spend towards administrative overheads for the financial year for the purpose of CSR expenditure of the Company, subject to such limits as specified under the Act.
- 5) Any surplus generated from CSR projects/programmes shall not be added to the normal business profits of the Company and shall be treated as follows:
 - a) Ploughed back into the same project/programmes; or
 - b) Transferred to an Unspent CSR Account and spent in pursuance of CSR policy and Annual Action Plan of the Company; or
 - c) Transferred to a Fund specified in Schedule VII, within the prescribed timeline as specified in the CSR Rules.
- 6) In case the Company spends an amount in excess of the requirements of its CSR obligations in a financial year, such excess amount may be set-off against the requirement of the CSR spending for such period as specified under the Act.
- 7) Any amount remaining unspent at the end of the financial year, if any, except in case of an ongoing project, shall be transferred to a Fund to be specified in Schedule VII of the Act for this purpose or any other fund setup by the Government in this regard, within a period of six months of the expiry of the relevant financial year.
- 8) In case of any ongoing project, any amount remaining unspent and earmarked for the ongoing project, shall be transferred within a period of 30 days from the end of the financial year to a special account opened by the Company in any scheduled bank called the "Unspent Corporate Social Responsibility Account". Such amount shall be spent by the Company towards that ongoing project within a period of 3 financial years from the date of such transfer, failing which, the Company shall transfer the unspent amount to a Fund specified in Schedule VII of the Act or any other fund setup by the Government in this regard, within a period of 30 days from the date of completion of the third financial year.

- 9) The Company may spend its CSR amount for creation or acquisition of the capital asset subject to the fulfilment of conditions as specified under the provisions of the Act.
- 10) The Board on the recommendation of the CSR Committee, if applicable shall be the absolute authority to update, alter, modify, amend, withdraw and replace the Annual Action Plan.

IMPLEMENTATION OF THE CSR PROJECT:

- The focus of the CSR activities conducted by the Company shall be within the list of activities specified in this policy.
- The Company will continue to promote and build partnership with NGOs/trusts/foundations and other charitable organizations towards implementation of social activities for the betterment of the society.
- 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 these CSR rules.
- The time duration over which a particular project or programme will be spread, will depend on its nature, extent of coverage and the intended impact of the project or programme.
- The Company will comply with all relevant laws and regulations and strive to meet the standards as per the Act.
- The Company, on the recommendation of the CSR Committee, if applicable, will identify indicative projects / activities in line with the CSR vision and mission of the Company amongst areas/activities covered under Schedule VII of the Companies Act, 2013 ('the Act').
- The Board/CSR Committee will formulate and recommend to the Board, an annual action plan in pursuance of the CSR policy
- The CSR Budgets to be spent will be authorized by the Board/CSR committee.
- The Board/CSR Committee will formulate the procedures for processes, practices, programs and activities that ensure the teams implement the CSR strategy.

- CSR program will be undertaken by the Company within the defined ambit of CSR policy.
- The time period / duration over which a particular program will be vary as per the intended impact of the program with clearly identifying Ongoing Projects.

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.

- The Company will enter into partnerships with the government, business partners and communities to create scalability potential of its social projects over long term.
- All our projects will be implemented either directly or through implementing agency(ies). The Company may further engage with other NGO partners, government bodies and social institutions, from time to time, qualifying the conditions prescribed under the Act, as amended from time to time, which inter alia currently includes that our implementing partners are registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961) and with the Ministry of Corporate Affairs, by filing form CSR 1.
- The Company may, however, also undertake CSR Projects/ activities directly.
- The Company will select its partners after appropriate due diligence and yearly disclose their CSR Registration numbers in annual CSR reports.
- The Company may use services of expert agencies, consultancy firms, international organizations etc. wherever required for carrying out surveys, guidance on project design, capacity building, implementation and audits.

MONITORING AND REVIEW:

- The Board/CSR Committee shall review the progress of various CSR projects / programmes as per requirement.
- The Board shall review the status of implementation and fund utilization of the various projects/programmes as per approved Annual Action Plan at least once in a year.
- The Company shall undertake impact assessment of its CSR projects/ programmes as per the provisions of the Act.

- The impact assessment report shall be placed before the Board and shall be annexed to the Annual Report on CSR. The Annual Report on CSR shall form part of the Board Report of the relevant financial year.
- The Company, if undertaking impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall be as per the provisions of the Act.
- The composition of the CSR Committee, CSR policy and projects as approved by the Board shall be disclosed on the Company website and in the Annual Reports in the prescribed format.
- Need based assessments will be conducted before the commencement of the projects.
- Quarterly reports and monitoring will be done against the agreed deliverables.
- Impact assessments will be conducted to review qualitative and quantitative impact on communities.
- Our monitoring process will ensure that all allocated CSR corpus is spent for only the intended purpose within the approved timelines.
- For the CSR projects, the Board/CSR Committee of the Company shall take on the role of the mentor, while the ultimate responsibility of ensuring successful and time bound implementation of the CSR projects will remain with the Board of Directors of the Company.
- The Board of Directors of the Company shall ensure that the funds disbursed for the CSR Projects identified have been utilised for the purpose and in the manner allocated approved by it.
- The Chief Financial Officer (CFO) shall certify that the funds allocated for meeting the CSR obligation of the Company has been administered in the areas or projects as approved by the Board of the Company and in accordance with the Act. Such certification will be based on the utilisation report as received from the implementing agencies where the CSR project are being implemented through such agencies.

- The Company through the Board/CSR Committee shall annually analyse the applicability of impact assessment and compliance in this regard in accordance with the Companies (Corporate Social Responsibility) Rules, 2014, as amended. Further, the expenditure towards impact assessment shall not exceed 5 percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less, or such other limit as may be prescribed under the Act.
- The Company through the Board/CSR Committee shall ensure that the administrative overheads shall not exceed 5 percent of total CSR expenditure of the company for the financial year or such other limit as may be prescribed under the Act

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.

Budgets

All projects will be presented and approved at the annual planning and budgeting meet. Any surplus arising out of the CSR activities will not be a part of the business profits of our company and shall be ploughed back into the same project or shall be transferred to a separate account named as "Unspent CSR Account" which can be spent in pursuance of this CSR Policy and the annual action plan of the Company or transfer such surplus amount to a Fund specified in Schedule VII of the Act within a period of six months of the expiry of the financial year.

Excess spending:

Where the Company spends an amount in excess of CSR obligation required under the Act, subject to passing of Board Resolution, such excess amount, excluding surplus arising, can be set-off against the CSR spends up to immediate succeeding three financial years.

Under spending:

The unspent CSR amount pertaining to an annual CSR project shall be transferred to any fund included in Schedule VII of the Act such as Prime Minister's National Relief Fund, Swachh Bharat Kosh or any other fund specified by Central Government in this regard under the Act, within 6 (six) months from the end of concerned financial year.

If the unspent CSR amount pertains to an Ongoing CSR Project, the amount has to be transferred to a separate bank account to be called as "Unspent CSR Account" within 30 (thirty) days of the end of the concerned financial year and is to be spent on CSR obligations as per its CSR policy within a period of 3 (three) financial years.

In case the Company is unable to spend the CSR obligation on the Ongoing CSR project within the prescribed period of 3 (three) financial years, it would be required to transfer the amount so unspent to any fund included in Schedule VII of the Act within 30 (thirty) days of the end of the concerned financial year.

Governance

For focused and effective governance, the Board of Directors shall constitute a CSR Committee (the Committee/CSR Committee) comprising of such number of directors of such composition in accordance with the requirement under the Act and the rules made thereunder and the Committee will be responsible for governance of CSR initiatives. The CSR Committee will review and monitor the timely implementation of the projects and programs, utilization of the funds disbursed by the Company to its implementing partners. The CSR Committee may appoint such professionals, firms, agencies, etc., as it may deem fit, for effective monitoring/ evaluation/ implementation/ designing of the programs and projects of the Company, including appointing an agency that would carry out an impact assessment study of the projects, if so required under the Act or deemed necessary by the Committee.

Formulation of annual action plan

The Board/CSR Committee, if applicable shall formulate the annual action plan, as per the suggested format in each financial year and recommend the same. The Board/CSR Committee shall adhere to the following guidelines while formulating/ approving the annual action plan for each financial year:

Evaluation of CSR activities of the preceding financial year: The achievements and drawbacks of the CSR projects/ activities undertaken in the previous financial year shall be considered and the annual action plan shall be prepared accordingly.

Identifying projects/ activities for the current financial year: The Board/CSR Committee will be responsible for identifying suitable CSR initiatives which are in line with the overall objectives of the organisation.

The Board or CSR Committee, if applicable, shall endeavour to formulate and approve the annual action plan before the commencement of the financial year based on projected financials and finalize the same and recommend it for the Board's approval before the end of the first quarter in every financial year. Any delay in preparation and approval of the action plan can be ratified by the Board.

The Board/ CSR Committee shall include a description of the identified activities and the sequence in which they will be undertaken by taking into consideration organizational readiness, strategies, financial and procurement management, etc., disbursement and utilization plans for the unspent amounts from previous years during the current financial year and disbursement and utilization plan for funds for the relevant (concerned) financial year,

Any amendment to the annual action plan shall be recommended by the CSR Committee and approved by the Board.

Reporting of CSR Initiatives

Our engagement will be disseminated on our website, annual reports, CSR reports, in-house journals and through the media. The composition of CSR committee, if applicable and this CSR Policy will also be available on the website of the Company.

Management commitment

The management and employees are committed towards achieving the goals of the CSR policy.

GENERAL:

- Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Act from time to time shall have the meaning respectively assigned to them therein.
- In case of any doubt with regard to the provisions of this policy and also in respect of matters not covered herein, a reference to be made to Company. In all such matters, the interpretation & decision of the Board/ CSR Committee shall be final.
- 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.
- The Board/CSR Committee, if applicable, is empowered to revisit at such intervals, as it may deem fit or as it may be deemed expedient and recommend any amendments to the CSR policy to the Board for its approval. The Board may subject to compliance with applicable law, at any time approve, alter and amend the CSR Policy, as it deems fit to comply with the statutory obligation to undertake the CSR Activities.
