

TCG LIFESCIENCES PRIVATE LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY (TCGLS CSR Policy)

Concept

Corporate Social Responsibility is strongly connected with the principles of Sustainability; an organization should make decisions not only based on financial factors, but also considering the social and environmental consequences. It is recognized that integrating social, environmental and ethical responsibilities into the governance of businesses ensures their long term success, competitiveness and sustainability. This approach also reaffirms the view that businesses are an integral part of society and have a critical and active role to play in the sustenance and improvement of healthy ecosystems, in fostering social inclusiveness, and in upholding the essentials of ethical practices and good governance.

TCG Lifesciences Private Limited (TCGLS), believes that in alignment with its vision, TCGLS through its CSR initiatives will continue to enhance value and promote social sustainability, sustainable development of the environment and social welfare of the people and society at large, more specifically for the deprived and underprivileged persons.

Short Title & Applicability

This policy, which encompasses the company's philosophy to outline its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large, is titled as the "**TCGLS CSR Policy**". It has been prepared keeping in mind the Company's code of business ethics and to comply with the requirements of Companies Act, 2013 (hereinafter called as "the Act") and the Companies (Corporate Social Responsibility Policy) Rules, 2014, notified by the Ministry of Corporate Affairs vide Notification dated 27th February, 2014.

This policy shall apply to all CSR initiatives for the benefit of different segments of the society, specifically the deprived, under-privileged and differently abled persons.

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 guiding principles 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.

CSR Committee

Composition: The Corporate Social Responsibility Committee (CSR Committee) shall consist of three or more directors.

Role: The Committee, referred above, shall.

- Formulate and recommend the CSR Policy to the Board for approval. The Committee shall indicate the projects to be undertaken by the Company as specified in Schedule VII to the Act and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan; [section 135(3)(a) of the Act read with rule 2(f) of CSR Rules].
- Recommend the amount of expenditure to be incurred on the activities, per specific CSR Policy.
- Be responsible for implementation and monitoring of CSR projects or programmes or activities of the Company.
- Any other matters which may be considered useful by the members in furtherance of and to comply with the CSR Policy of the Company.

Meetings: The CSR Committee shall meet as and when deemed necessary.

Sitting Fees: The Sitting Fees for attending the meeting shall be Rs. 10,000 per Committee member.

Quorum: Quorum of meeting of CSR Committee shall be one third of the total strength or two directors, whichever is higher.

The CSR Committee may invite Executives, Advisors, representatives of Social Organizations, Auditors of the Company and such other person (s) as it may consider necessary to attend the meeting.

Roles and Responsibilities of the Board:

The Board of Directors of the Company will be responsible for:

- After taking into account the recommendations made by the CSR Committee, approve the approach and directions for CSR and the CSR Policy for the company and disclose contents of such policy in its report.
- Disclose the composition of the CSR Committee, CSR Policy and projects approved by the Board on the website of the company, if any, for public access; [section 135(4)(a) of the Act read with rule 9 of CSR Rules].

- Approve the annual action plan recommended by the CSR Committee and amendment thereto during the financial year, if any, recommended by the CSR Committee based on reasonable justification to that effect; [rule 5(2) of CSR Rules].
- Ensuring that the social projects included in the Policy are undertaken by the Company.
- Ensuring that the Company spends, in every financial year, atleast 2% of the average net profits of the Company made during the three immediately preceding financial years in pursuance of the Policy.
- Satisfying itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it.
- Ensuring that the administrative overheads do not exceed 5% of total CSR expenditure of the company for the financial year
- Ensuring that it specifies the reasons in its report for not spending the earmarked amount in case the Company fails to spend such amount.

In case there is excess amount spent towards CSR beyond the statutory obligation specified in section 135(5) of the Act during any financial year, to approve the set-off of such excess amount spent, during one or more of the three succeeding financial years.

List of Activities / Projects

The Company shall undertake any of the following Activities/Projects or such other activities/projects as may be deemed relevant for CSR activities and those notified by the Ministry of Corporate Affairs from time to time as a part of the Corporate Social Responsibility ("CSR"):

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- 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;
- 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 setup by the Central Government for rejuvenation of river Ganga;

- 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 arts and handicrafts;
- Measures for the benefit of armed forces veterans, war widows and their dependents;
- Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
- 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;
- **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;
- **Contribution** or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- Rural development projects
Slum area development (slum area declared by C.G. or State Govt. or other competent authority).

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. Preference shall be given to the local areas and areas where the Company operates for undertaking the CSR Activities.

Quantum Of Amount To Be Spent On CSR Activities

For achieving its CSR objectives through implementation of meaningful & sustainable CSR programs, the Company will allocate 2% of its average net profits made during the three immediately preceding financial years as its Annual CSR Budget.

The Annual CSR Budget shall be spent on activities laid down in this Policy.

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.

Implementation Of CSR Activities

CSR activities may be undertaken through registered trust, registered society or company established under section 8 of the Act by the company, either singly or along with its holding or

subsidiary or associate company, or along with any other company or holding or subsidiary or associate company of such other company, or otherwise. If these are not established by the company, either singly or along with its holding or subsidiary or associate company, or along with any other company or holding or subsidiary or associate company of such other company, then such body should have track record of three years in undertaking similar programmes or projects in which company is planning to undertake as CSR.

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.

If the Company fails to spend, the amount stated hereinabove, then reason for not spending shall be stated in the Directors Report.

CSR programmes will be undertaken by various work centers 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/ Programme.

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.

Procedure for CSR Activities

The Committee shall recommend the Board suitable CSR Activities to be undertaken by Company or other eligible organization for the financial year along with the detailed plan, modalities of execution, implementation schedule, monitoring process and amount to be incurred on such activities.

The Board shall give its approval based on the recommendation of the Committee and in compliance of this Policy.

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.

Exclusions:

The CSR Activities shall not include any activity undertaken by the Company in pursuance of normal course of business of the Company.

The Company shall not make any payment directly or indirectly to Political Party (ies) for CSR Activities.

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.

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.

Allied Matters

With regard to CSR activities, Boards Report to state such particulars as stated under Companies (Corporate Social Responsibility) Rules, 2014.

The Company shall display such particulars relating to CSR Policy and activities undertaken thereunder as stated under Companies (Corporate Social Responsibility) Rules, 2014.

Monitoring and Feedback

To ensure effective implementation of projects taken under CSR will be reviewed and monitored by CSR Committee, which will take stock on the progress of the project from time to time.

Appropriate documentation of the Company's CSR Policy, annual CSR activities, will be undertaken on a regular basis.

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.

General

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.

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 CSR Committee reserves the right to modify, add, or amend any of provisions of this Policy subject to approval of the Board.