

# **POLICY ON CORPORATE SOCIAL RESPONSIBILITY**

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## CSR POLICY

### 1. INTRODUCTION

For PULIKKAL MEDICAL FOUNDATION (the “**Company**”), registered under section 8 of the Companies Act 2013, Corporate Social Responsibility (“**CSR**”) has been an integral part of the way we operate our business since inception. The Company has always been serious towards its commitment for the inclusive and sustainable betterment of the society and has always supported causes, which would improve the living condition of people and others in every sphere of life including, but not limited to, in the areas of healthcare, education, eradication of hunger, conservation of natural resources, upkeep of environment etc. As the Company has been registered solely for charitable purpose, its main objects are synonymous with CSR activities.

### 2. OBJECTIVE AND PURPOSE

As a healthcare provider and as a company which believes in doing business in a manner that promotes the general wellbeing of all and more especially of those who are directly within the local area and areas around it, where it operates, the CSR Policy and its initiatives under CSR aims to:

1. Promote Healthcare including Preventive healthcare to all more especially to areas that are not easily exposed to healthcare services.
2. Extending comprehensive integrated healthcare services to the community.
3. Create a meaningful and lasting impact on the communities in remote areas by helping them transcend barriers of socio-economic development.
4. Fulfilling its social responsibilities alongside its normal business activities.
5. In consultation with the local community and other experts in specific field, the Company will design and effectively implement projects in areas such as healthcare, rural development, education, skills development, eradication of poverty, empowering women, enhancing skills through sustained vocational and skill enhancement programmes and other relevant areas included but not limited to the activities referred in Schedule VII of the Companies Act 2013.

Our policies and objectives will evolve, and over time harmonize our long term and short term goals in CSR. Our ultimate goal is to wholesomely and positively impact the communities we are associated with irrespective of linkage to our core operating areas of healthcare delivery. In the short term and consistent with that

view we propose to utilize and leverage our competencies and work in areas associated with healthcare, education, sanitation, skill development, protection of flora and fauna , conservation of natural resources, rural development projects and thereby actively participating in the inclusive wellbeing of all through sustained initiatives.

### **3. COMPANY COMMITMENT**

Through sustainable measures, actively contribute to the social, health, economic, educational and environmental development of the community in which we operate, ensuring participation from the community and thereby create value for the nation and nation building.

### **4. CSR IMPLEMENTATION AND MODALITIES OF EXECUTION**

The Company may implement its CSR activities through the following methods:

1. Directly on its own;
2. Through its own non-profit foundation which may be set - up by the Company so as to facilitate this initiative;
3. Through independently registered Non-Profit Organizations ('NPO') or Non-Government Organizations ('NGO') that have an established track record of at least three years in similar such related activities;
4. Collaborating or pooling the Company's resources with other companies; and
5. Through permitted governmental routes, including but not limited to contribution to the Prime Minister's National Relief Fund and other permissible sources.

### **5. CSR PROJECTS, PROGRAMMES AND ACTIVITIES**

The scope of the CSR activities of the Company will cover the following areas, but not limited to the same and may extend to other specific projects/ programmes as per Schedule VII of the Act as amended from time to time:

1. 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.

2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.
3. 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.
4. 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.
5. 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.
6. Measures for the benefit of armed forces veterans, war widows and their dependents.
7. Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports.
8. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.
9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
10. Rural development projects.
11. Slum area development.

The Company will review the sectors from time to time and make additions/ deletions/ clarifications to the above sectors, provided that the activities undertaken by the Company are subject to Schedule VII of the Act as may be amended from time to time.

## **6. EXCLUSION FROM CSR**

The following activity shall not form part of the CSR activities of the Company:-

1. The activities undertaken in pursuance of normal course of business of a Company;

2. CSR projects/ programs or activities that benefit only the employees of the Company and their families;
3. Any contribution directly/ indirectly to political party or any funds directed towards political parties or political causes under Section 182 of the Act; and
4. Any CSR projects/ programs or activities undertaken outside India.

## **7. CSR BUDGET/ EXPENDITURE**

Under the provisions of Section 135 of the Act, companies meeting the qualification criteria is to allocate a certain portion, presently 2 %, of its annual net profits (before tax) of the three immediately preceding financial years to be spent on CSR Activities that fall under the purview of Schedule VII of the Act.

### **7.1 CSR EXPENDITURE:**

The CSR expenditure shall include all expenditure including contribution to corpus or on projects or programs relating to CSR activities approved by the Board of Directors on the recommendation of its CSR Committee but does not include any expenditure on an item not in conformity or not in line with activities stated under Schedule VII of the Act.

### **7.2 EXPENDITURE ON CSR CAPABILITIES:**

The Company may build CSR capabilities of their own personnel and such expenditure shall not exceed 5% of the total CSR spend of the Company as stated in the Rules from time to time. Determination of whether a particular expense fall within this 5% cap can be decided by the CSR Committee and or the Board in consultation of the Chief Financial Officer or the Key Managerial Personnel of the Company based on the clarification available from time to time in this regard. For the purpose of this policy, Chief Financial officer and Key Managerial Personnel shall have the same meaning as provided in the Act.

### **7.3 SPENDING CSR MONEY**

In case the Company fails to spend the minimum required CSR expenditure in that particular financial year, Committee shall submit a report in writing to the Board of Directors specifying the reasons for not able to spend the amount which in turn shall be reported by the Board of Directors in their Directors' Report for that particular financial year. Further, the Board is free to decide whether any unspent amount from

out of the minimum required CSR expenditure is to be carried forward to the next year. However, the carried forward amount should be over and above the next year's CSR allocation equivalent to at least 2% of the average net profit of the Company of the immediately preceding three years. The Company shall also ensure that any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.

Further, any excess amount spent (i.e. more than 2% as specified in section 135) cannot be carried forward to the subsequent years and adjusted against that year's CSR expenditure.

## **8. CSR COMMITTEE**

The CSR Committee having a minimum number of two directors duly nominated by the Board shall be formed as per the applicable laws and the CSR Committee shall be responsible for the implementation/ monitoring and review of the CSR Policy and various programmes/ projects/ activities undertaken under the CSR Policy. The CSR Committee shall submit periodical reports during every quarter to the Board of Directors. The Board shall have the power to make any change(s) in the constitution of the committee.

### **8.1 CONSTITUTION**

Subject to the provisions of Section 135 of the Act, the Board of Directors shall constitute the CSR Committee. The members of CSR shall be appointed by the Board of Directors of the Company, which must consist of at least two or more Directors. One among the member shall be nominated by the Board as the Chairman of the Committee and in his absence, the Committee may elect one amongst them as the Chairman. The quorum for the meetings shall be at least two members.

### **8.2 POWERS OF THE CSR COMMITTEE**

Following are the powers of the CSR Committee subject to final approval of the Board:

- i. Formulate CSR Policy;
- ii. Recommend the CSR Policy to the Board of Directors of the Company for approval;
- iii. Recommend CSR activities to be implemented;

- iv. Approve to undertake Company's CSR activities in collaboration other Companies/ firms/ NGOs, etc. and to separately report the same in accordance with the CSR Rules;
- v. Recommend the CSR Budget;
- vi. Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules;
- vii. Create transparent monitoring mechanism for implementation of CSR Initiatives in India;
- viii. Submit the Reports to the Board in respect of the CSR activities undertaken by the Company;
- ix. Monitor CSR Policy from time to time;
- x. Monitor activities and ensure that the CSR activities of the Company are implemented effectively;
- xi. Authorize executives of the Company to attend the CSR Committee Meetings; and
- xii. Appoint, terminate and otherwise manage personnel for implementation and monitoring and related work with respect to the CSR Policy, Plan and recommendation of the CSR Committee ("CSR Executives").

### **8.3 CSR COMMITTEE MEETINGS**

The CSR Committee shall meet at least once in a quarter. The time and place of the said meetings shall be decided by the Chairman of the CSR Committee and communicated to the members through a notice sent through electronic mode or by mail. 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 provisions of the Act and Rules made thereunder from time to time. The Committee may in urgent matters decide issues through circulation of the agenda. Minutes of the CSR Committee shall be placed before the Board for noting and recommending action thereon as may be deemed appropriate.

## **9. CSR INITIATIVES**

In line with Schedule VII of the Act and the CSR Rules, the Company shall undertake CSR activities included in its Annual CSR Plan, as recommended at the beginning of each financial year or during the year by the CSR Committee. The Committee is authorised to approve any modification to the existing Annual CSR Plan or to propose any new program during the financial year under review.

## **9.1 ANNUAL CSR PLAN**

The Annual CSR Plan is a yearly plan of CSR activities that would be placed before Board of Directors of the Company after the recommendation of its CSR Committee which outlines the following aspects of CSR initiatives of the Company:

- i. CSR Projects;
- ii. Partnering agencies/ companies/ firms;
- iii. Project Proposals;
- iv. Beneficiaries of the Project and their needs;
- v. Alignment with Schedule VII of the Act;
- vi. Project analysis;
- vii. Activities and the timelines for each activity;
- viii. CSR Budget;
- ix. Monitoring mechanism;
- x. Progress reporting and frequency of reports; and
- xi. Any other information as may be required by the CSR Committee.

## **10. MONITORING AND REPORTING**

The CSR Committee will be responsible for the monitoring of CSR activities and reporting to the Board after each meeting through a report within 7 days of conclusion of the meeting.

The CSR Committee has the powers to:

1. Seek monitoring and implementation report from the organizations who have received funds from the Company with respect to implementation of CSR activities.
2. Appoint a Company official to co-ordinate with the organization receiving funds from the Company, to inspect the activities undertaken by the organization and provide the required information in a timely manner.

For monitoring the CSR activities following process shall be followed:

- (a) The activities and budgets for CSR will be presented in detail to the CSR Committee by the CSR Executives who shall be implementing the CSR activities. Further, the CSR Committee may empower an authorised person to spend such amount as they think appropriate for some other strategic CSR



contingencies that may arise during any financial year. The amount spent as above shall be put up for ratification of the Committee at its meeting and shall report to the Board accordingly.

(b) Continuous Monitoring

- CSR Committee shall receive a quarterly report of CSR spend;
- CSR Executives shall make presentation to the CSR Committee on the progress of the CSR projects/ activities; and
- There will be presentation by CSR Executives, as and when required, to the CSR Committee which will include the details of the future or planned projects for the upcoming year and its respective budgets.

The CSR Committee shall prepare reports that are required to be placed before the Board as per the format prescribed under the CSR Rules stated hereunder:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl.No	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) local area or other (2) Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs (Sub-heads): (1) Direct Expenditure on projects and programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.							
2.							
	<b>TOTAL</b>						

**11. DISCLOSURES**

The Annual Report of the Company shall include a report on CSR Policy, CSR Committee, CSR initiatives undertaken by the Company, the CSR spend during the financial year and other information as required by the prevailing law.

## **12. POWERS, ROLES AND RESPONSIBILITIES OF THE BOARD**

The Board of Directors of the Company shall have the power to alter/ change/ modify the CSR Policy from time to time. The Board of Directors of the Company will be responsible for:

1. Approval of the CSR Policy of the Company.
2. Ensuring that the social projects included in the CSR Policy are implemented.
3. Ensuring that the Company spends, in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years in pursuance of the Policy.
4. Ensuring that the Company gives preference to the local areas around its operations for spending the amount earmarked for CSR project.
5. Ensuring that it specifies the reasons in its report for not spending the earmarked amount in case the Company fails to spend such amount.

## **12. PUBLICATION OF CSR POLICY**

As per the CSR Rules, the contents of the CSR Policy shall be included in the Directors' Report and the same shall be displayed on the Company's website, if any.

**IN VIEW OF THE ABOVE, HENCEFORTH THIS POLICY SHALL FORM PART AND PARCEL OF THE COMPANY'S RULES AND REGULATIONS. AS A GOOD CORPORATE PRACTICE THE TERMS OF THIS POLICY SHALL MUTATIS MUTANDIS APPLY TO ALL THE EMPLOYEES AT PAR.**