

CORPORATE SOCIAL RESPONSIBILITY POLICY



SOMERSET THERAPEUTICS PRIVATE LIMITED (“THE COMPANY”)

(formerly known as Somerset Therapeutics Limited)

1. APPLICABILITY

This policy has been formulated to meet the Corporate Social Responsibility (“CSR”) objective set by the Company as well as applicable statutory requirements under the provisions of the Companies Act, 2013 (“the Act”). This policy shall be applicable to all the CSR activities/ Projects/ Programs undertaken by Somerset Therapeutics Private Limited (“Company”). The thrust areas are mapped with the activities as suggested in the Schedule VII of the Companies Act.

This Policy document serves the following purpose:

- Define the significance of CSR for us.
- Establish the operating guidelines for CSR programmes
- Define the approach & governance mechanism to execute & monitor our CSR programmes
- Identify the key areas of focus where we will implement projects.

2. SCOPE

This Policy applies to all activities that are undertaken by the Company as part of our CSR programmes in India for the diverse sector of society.

3. CSR COMMITTEE

As per Section 135 (9), the amount to be spent by the Company does not exceed fifty lakh rupees. Therefore, the requirement for the constitution of the Corporate Social Responsibility Committee (“Committee”) shall not be applicable and the functions of such Committee shall be discharged by the Board of Directors of the Company.

In case of voluntary adoption of Committee or where the constitution of the Committee becomes applicable as per the Act, the Committee shall comprise of three or more

directors out of which atleast one shall be an independent director. However, in case of number of directors are less than three, then the Committee shall comprise of two directors. The role of the Board/ Committee (as the case may be) for CSR contribution shall include inter-alia the following:

- Formulate and recommend to the Board (wherever applicable) CSR Policy and a CSR Annual Action Plan.
- Recommend, formulate, and implement CSR activities approved by the Board and in compliance with Schedule VII of the Act.
- Approve the budgets for the CSR Expenditure and recommend to the Board (wherever applicable) for approval.
- Recommend and monitor the amount of CSR Expenditure to be incurred for CSR activities, decide on locations for CSR activities, and ensure it is in line with the CSR Policy.
- To regularly monitor the CSR Policy of the Company from time to time.
- To carry out an impact assessment of the CSR Programmes as applicable under the Companies Act and Rules.
- To ensure compliance with the requirements of the Act.
- Any other activity as may be decided by the Board.

4. CSR FOCUS AREA AND PROGRAMS

The Company shall undertake CSR activities in any of the following areas either directly or through Implementing agencies:

- Promoting healthcare including preventive healthcare.
- Eradicating hunger, poverty, and malnutrition.
- Sanitation including contribution to the Swachh Bharat Kosh set up by the Central Government to promote sanitation and make safe drinking water available.
- Promoting education including special education and employment enhancing vocational skills 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 centres and 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, agroforestry, conservation of natural resources and maintaining the quality of soil, air, and water.
- 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.
- Measures for the benefit of armed forces veterans, war widows and their dependents.
- Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports.
- 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 fund set up by the central govt. for socio-economic development, relief, and welfare of the scheduled caste, tribes, other backward classes, minorities, and women.
- Contribution to incubators or research and development projects in the field of science, technology, engineering, and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and
- Rural development projects
- Slum area development.
- Public Safety
- Contributions to public-funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defence Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of

Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs)

- Disaster management, including relief, rehabilitation, and reconstruction activities.
- any other areas covered under Schedule VII or provisions of the Companies Act, 2013 and rules framed thereunder.

5. IMPLEMENTING AGENCY

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, registered under section 12A and 80 G of the Income Tax Act, 1961, established by the company, either singly or along with any other company, or
- (b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
- (c) any entity established under an Act of Parliament or a State legislature; or
- (d) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and has an established track record of at least three years in undertaking similar activities.

Every entity intending to undertake any CSR activity shall register with the Central Government by filing the **form CSR-1** electronically with the Registrar.

6. CONTRIBUTIONS

The Company shall spend at least **two percent (2%)** of its average net profits of the preceding three financial years on CSR activities. The amount of net profit shall be

calculated in accordance with the Act. The Board shall approve the total fund to be utilized for CSR activity for the respective financial year.

The surplus arising out of CSR activities shall not be a part of the business profits of the Company.

7. UNSPENT CSR OBLIGATION

The Company shall deal with the unspent amount as per the provision of the Act and Rules made thereunder, in the following manner:

a. In case of an **On-going Project**: As per the provisions of Section 135(6), any amount remaining unspent shall be transferred by the Company within a period of **thirty days from the end of the financial year** 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 Corporate Social Responsibility 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 **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.

b. In case of projects having a tenure of one year or lesser: As per the provisions of Section 135(5), the unspent amount as of the end of the financial year shall be transferred to a Fund specified in Schedule VII, as regulated by the Government, within a period of **six months of the expiry of the financial year**.

c. The Board shall specify the reasons for not spending such amount, in the Board's report.

8. CSR REPORTING AND DISCLOSURES

a. The Board of directors shall prepare the report on various CSR activities carried out and amounts spent for inclusion in Director's Report of the company in such form and manner as may be required under law.

b. The Board of directors shall also cause publication of the CSR Policy and activities on the website of the Company.

9. AMENDMENTS

Amendments from time to time to the CSR policy, if any, shall be considered by the Board of Directors. If the CSR committee is required as per Act, then the same shall be constituted and all powers provided to Board of Directors under this policy shall be vested with CSR Committee in the recommendatory nature subject to the approval of the Board of Directors as required under the Act, read with relevant Rules.

10. ANNUAL ACTION PLAN

- a) The projects to be implemented over the course of a financial year will be included in the Annual Action Plan prepared by the Board each year. This Annual Action Plan will include the list of projects, if implemented by the Company itself and/or details of implementing agencies that are approved and to be undertaken by the Company.
- b) The Board of Directors are empowered to alter the annual action plan during the financial year, based on the reasonable justification for such change.

For Somerset Therapeutics Private Limited
(Formerly known as Somerset Therapeutics Limited)

Sd/-

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