



Corporate Social Responsibility Policy

Compliance Department

PREFACE

Corporate Social Responsibility (**‘CSR’**) policy is framed pursuant to Section 135 of the Companies Act, 2013 and rules made thereunder and Schedule VII of the Companies Act, 2013. In adherence to Company’s values, the Company has been engaged in these activities for several years. The company does not stop only with spending of money towards CSR but actually monitors at the ground level the utilization and channelization of resources in the most optimal manner and strives to ensure that the benefit of these initiatives reach to the needy section of the Society at large.

OBJECTIVE

This policy document sets out a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

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Compliance Department	CSR Committee	Board

Review periodicity: need basis/ as required by Regulations

Effective from: July 19, 2023

CORPORATE SOCIAL RESPONSIBILITY POLICY**1. CSR FOCUS AREAS**

Guided by the nation's need in the form of regulatory norm, the Areas (**detailed in Annexure-A**) have been identified for CSR activities and to capture the essence of the identified areas, activities mentioned in this annexure must be interpreted liberally.

2. DEFINITIONS

- a) **“Act”** means the Companies Act, 2013
- b) **“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;
- c) **“Board”** means the collective body of the Directors of the Company;
- d) **“Corporate Social Responsibility (CSR)”** means the same meaning as defined in Rule 2(1)(d) of the Companies (Corporate Social Responsibility Policy) Rules, 2014
- e) **“CSR Committee”** means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act.
- f) **“Company”** means Pinnacle Life Science Private Limited
- g) **“Net profit”** means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely: -
 - (i) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
 - (ii) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act:

Provided that in case of a foreign company covered under Companies (Corporate Social Responsibility Policy) Rules, 2014, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381, read with section 198 of the Act;

- h) **“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

3. CONSTITUTION, COMPOSITION AND RESPONSIBILITY OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE) AND RESPONSIBILITIES OF BOARD

(a) Constitution and composition of the CSR Committee

The CSR committee shall comprise three or more directors, out of which at least one director shall be an independent director. The members of the CSR Committee shall elect one of them as the Chairman of the Committee. The Board may change the composition of CSR committee from time to time as it may deems fit.

(b) Responsibility of CSR Committee

- a) Formulate and approve revisions to this Corporate Social Responsibility Policy and recommend the same to the Board for its approval;
- b) formulate and recommend to the Board, an annual action plan in pursuance to CSR policy, which shall include the following, namely :
 - (i) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - (ii) the manner of execution of such projects or programmes;
 - (iii) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - (iv) monitoring and reporting mechanism for the projects or programmes; and
 - (v) details of need and impact assessment, if any, for the projects undertaken by the company

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

- c) Recommend the annual CSR expenditure budget to the Board for its approval;
- d) Approve unbudgeted CSR Expenditure / Program involving an annual outlay of more than Rs. 10 Lakhs and get it ratified by the Board of Directors;
- e) Establish monitoring mechanisms to track each CSR Program and review the same at such intervals as the CSR Committee may deem fit;
- f) Undertaking wherever appropriate benchmarking exercises with other corporates to reassure itself of the efficacy and effectiveness of Company's CSR spends.

(C) Responsibilities of Board

- a) approving the CSR policy as formulated by the CSR Committee;
- b) ensuring that in each financial year the Company spends at least 2% of the average net profit before taxation made during the three immediate preceding financial years;
- c) Ensuring CSR activities are undertaken by the Company itself or through :
 - i. 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 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
 - ii 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
 - iii any entity established under an Act of Parliament or a State legislature; or

- iv. 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 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities
- d) Ensure that the funds so disbursed have been utilised for the purpose and in the manner approved by it and the Chief Financial Officer or the person responsible for Financial Management shall certify to that effect
- e) For the ongoing project, it shall 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 period
- f) Ensuring administrative overheads shall not exceed 5% of total CSR expenditure of the Company for the Financial Year.
- g) disclose in its Annual Report the names of CSR Committee members, the content of the CSR policy and ensure annual reporting of its CSR activities on the Company website.

As per Section 135 the reasons for underspending of the allocated CSR budget shall be specified in the Board's Report.

4. GUIDING PRINCIPLES

- a) CSR Projects will be directed towards underprivileged and marginalized sections of society, in consonance with properly identified needs and aspirations of such communities
- b) CSR Activities to be undertaken to make a difference to the local communities.
- c) To the extent possible CSR approved budgets to have major outflow across the following areas
 - Cluster and rural development
 - Education and skill development
 - Childcare and healthcare facilities
 - Women empowerment and livelihood opportunities
 - Disaster Relief and Rehabilitation
 - Water Conservation and Environment
 - R&D for the upliftment of society

Aforementioned Projects to be undertaken to be viable, creating a sustainable impact measurable in terms of outputs and outcomes.

- d) In keeping with the Company's Code of Conduct, the Company will be ethical and transparent in its orientation, while approaching and engaging with communities.

5. PROJECT SELECTION PROCESS

- a) Company to receive requests for funding of CSR projects throughout the Financial year. Requests to be made to members of the Finance and Investment Committee who shall entrust the Managing Director/Company Secretary to place it before Finance and Investment

Committee meetings. The Finance and Investment Committee of the Company will evaluate proposals received under the Corporate Social Responsibility focus areas and projects will be prioritized by assessing their impact. The Finance and Investment Committee will then forward its recommendations to the CSR Committee. The CSR Committee will deliberate on the CSR proposals, amend the same if required and approve the proposals for implementation at its discretion.

- b) For projects identified at plant location, project selection will be based on a comprehensive need assessment study. Altogether portfolio of CSR projects at plant locations will be submitted by the members of the Finance and Investment Committee to the Managing Director/ Company Secretary of the Company who shall place the same before Finance and Investment Committee meetings. The Finance and Investment Committee will deliberate the same and then forward its recommendations to the CSR Committee. The CSR Committee will deliberate on the CSR proposals, amend the same if required and approve the proposals for implementation at its discretion.
- c) Project Selection shall also be done by such other means / sources may be deemed fit by the CSR Committee.

d) *Activities not qualifying as CSR Activities -*

- Projects or activities not falling within Schedule VII of the Act;
- Any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- activities benefiting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- activities undertaken in pursuance of normal course of business
Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that
 - (a) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;
 - (b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report
- activities carried out for fulfilment of any other statutory obligations under any law in force in India.

6. PROJECT IMPLEMENTATION [AGENCY / PARTNERS]

- a) CSR programs will be undertaken to the best possible extent within the ambit of the identified thrust areas approved by the CSR Committee.

- b) If CSR spending during the year is planned to be incurred in collaboration with other companies or institutions, the company may report separately on such projects or programs.
- c) There shall be no CSR projects or programs planned which would directly or indirectly benefit only the employees of the company and their families and also there no direct or indirect contribution to any political party which would be termed as CSR activity.
- d) The CSR activities shall be undertaken by the Company itself or through:-
 - i. 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 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
 - ii 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
 - iii any entity established under an Act of Parliament or a State legislature; or
 - iv. 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 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities

7. MONITORING OF THE CSR ACTIVITIES

- a) The Company through its officials will conduct site-visits and periodical reviews of projects to verify goal accomplishment. Monitoring and review process to be done by getting first hand information.
- b) Monitoring to be done by following the SMART indicator i.e (Specific, Measurable, Accurate, Realistic & Time Bound).
- c) The CSR Committee either on its own or through an external agency will periodically or half yearly monitor the implementation of the projects/programs/activities under the CSR and report the progress of CSR initiatives and activities to the Board.
- d) If average CSR obligation of ten crore rupees or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, Company shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study. The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

8. CSR EXPENDITURE AND BUDGET

- a) The overall amount to be committed towards CSR will be approved by the Board of Directors as a part of its annual Budget / Plans based on the recommendation of the CSR Committee.

- b) Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- c) An amount spent in excess of requirement provided under sub-section (5) of section 135 , such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that –
- ❖ the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule.
 - ❖ the Board of the company shall pass a resolution to that effect.
- d) The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by –
- (a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or
 - (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
 - (c) a public authority:

Provided that any capital asset created by a company prior to the commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, shall within a period of one hundred and eighty days from such commencement comply with the requirement of this rule, which may be extended by a further period of not more than ninety days with the approval of the Board based on reasonable justification.

9. REVIEW AND AMENDMENTS

- a) The Policy shall be subject to revision / amendment in accordance with the guidelines as may be issued by the Ministry of Corporate Affairs from time to time, on the subject matter. Any modification in the Policy on account of change in prevailing regulations will be carried out immediately and will be informed to all concerns. Any other modifications will be carried out only with the previous approval of the Corporate Social Responsibility Committee and Board.
- b) The Company reserves right to alter, modify, add, delete or amend any of the provisions of this policy.
- c) The Policy shall be effective from the date of approval by the Board unless specified otherwise.

Pinnacle Life Science Private Limited under the guidance, support and commitment of the Group Chairman Emeritus, Shri Chandrakant V. Gogri who has committed a major portion of his life for these philanthropic activities, has extended its full support to these initiatives in the past and shall remain fully committed for the same in the future.

Health Care	<p>Eradicating : Hunger, poverty and malnutrition</p> <p>Promoting: Health care including preventive health care and sanitation including Contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation.</p> <p>Water : Making available safe drinking water.</p> <p>Pandemic: Spending on Activities related to COVID 19 pandemic</p>
Education	<p>Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects. Spending on activities related to 'Har Ghar Tiranga' campaign.</p>
Society	<p>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.</p>
Environment	<p>Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.</p>
Cultural	<p>Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art;</p> <p>setting up public libraries;</p> <p>promotion and development of traditional art and handicrafts</p>
Sports	<p>training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports</p>
Socio Economic Development	<p>contribution to the prime minister's national relief fund or Prime Ministers Citizen Assistance and Relief in emergency situation fund (PM Cares Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the scheduled caste, tribes, other backward classes, minorities and women.</p>

Others	Measures for the benefit of armed forces veterans, war widows and their dependents, Central armed Police forces (CAPF) & Central Para Military Forces (CPMA) Veterans and their dependents including widows
	(a) 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 (b) 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).]
	Rural development projects
	Slum area development (For the purposes of this item, the term `slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.)
	disaster management, including relief, rehabilitation and reconstruction activities
