



CACHET PHARMACEUTICALS PRIVATE LIMITED CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

1. BACKGROUND

- 1.1 Cachet Pharmaceuticals Private Limited (hereby referred to as 'Cachet' or 'the Company') believes that an organization should, besides its financial performances give equal importance to social and environmental factors.
- 1.2 The Company understands that its activities have wider ramifications on the society as a whole and as such gives due consideration to all its stakeholders like shareholders, government, suppliers, employees, business patrons and its local communities.
- 1.3 Accordingly, it will try to make efforts to multiply its stakeholder's wealth by its commitment to implement its business practice in an ethical manner so as to have a positive impact on society.
- 1.4 These beliefs form the core of the CSR policy of the Company that drives it to focus on holistic development of its host community and communities at large, for development on socio-economic and environmental surroundings qualitatively.

2. TITLE AND APPLICABILITY

- 2.1 Cachet has developed this Policy comprising the Company's philosophy for being a responsible corporate citizen and lays down the principles and mechanisms for undertaking various programs in accordance with Section 135 of the Companies Act 2013 read with Schedule VII and Companies (Corporate Social Responsibility) Rules, 2014, as amended from time to time and is titled as 'Cachet's CSR Policy' ("CSR Policy").
- 2.2 The CSR Policy shall guide the CSR program and activities undertaken by the Company in the communities in which it operates except those activities as prescribed under Rule 2(d) of the Companies (Corporate Social Responsibility) Rules, 2014 and as amended from time to time.
- 2.3 The CSR Policy is required to be disclosed on the website of the Company.



3. CSR VISION STATEMENT

Our CSR vision is to be a deeply committed corporate citizen with its strategies, policies and actions aligned with wider social concerns, through initiatives in education, health, environment and other socially relevant areas in order to make a holistic impact on the communities in which we operate.

4. VALIDITY OF CSR POLICY

The Board shall review the CSR Policy from time to time and may amend it as and when required.

5. GUIDING PRINCIPLES

With an endeavor to achieve our vision and fulfill our commitment to be a socially responsible corporate citizen, we shall keep in mind the following principles for CSR spending:

- ❖ Strive to provide sanitation and drinking water thereby creating livelihoods for people, especially those from disadvantaged sections of society, in rural and urban areas;
- ❖ Be committed to promoting a healthy life for the communities at large and thereby reducing incidence of diseases;
- ❖ Strive towards promoting and encouraging quality education;
- ❖ Strive to promote nationally recognized sports and related activities;
- ❖ Strive to align its business interests with those of the society in general, thereby enhancing its corporate value;
- ❖ Strive towards developing self-reliance of beneficiaries, especially for women;
- ❖ Promote conservation of natural resources and use of renewable energy resources;
- ❖ Strive towards benefitting individuals in improving their employment prospects;
- ❖ Carry on its business in accordance with the principles of sustainability, balance and equity;



- ❖ Strive to enhance environmental and natural capital;
- ❖ To adopt appropriate solutions to make the CSR activities more effective, cost efficient and impactful.

6. CSR BUDGET

- 6.1 The Board of Company shall ensure that in each financial year, the Company spends at least 2% of the average net profit made during the immediate three preceding financial years.
- 6.2 The Company may collaborate or pool resources with other companies or organizations to undertake CSR activities.
- 6.3 The surplus arising out of the CSR projects or programs shall not form part of the business profit of the Company and shall be dealt with in accordance with the Companies (Corporate Social Responsibility) Rules, 2014 and as amended from time to time.

7. IMPLEMENTATION PROCESS

- 7.1 The CSR Committee of the Company shall formulate and recommend to the Board, an "Annual Action Plan" with respect to the CSR projects or programs that shall be undertaken by the Company during a financial year. The said Annual Action Plan shall include the following:
 - ❖ the list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act, 2013;
 - ❖ the manner of execution of such projects or programs as specified in the Companies (Corporate Social Responsibility) Rules, 2014 and as amended from time to time;
 - ❖ the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - ❖ monitoring and reporting mechanism for the projects or programs; and
 - ❖ details of need and impact assessment, if any, for the projects undertaken by the Company.



- 7.2 The Company may enter into partnerships with the government, business partners and communities to create multiplier effect of its social projects.
- 7.3 The mode of implementation of CSR programs will include a combination of direct implementation and implementation through partners such as NGOs, business partners, registered societies etc. registered under section 12A and 80 G of the Income Tax Act, 1961. The Company will select its partners after appropriate due diligence.
- 7.4 The Company will use services of expert agencies, consultancy firms etc. wherever required for carrying out surveys, guidance on project design and implementation, impact assessment surveys etc.

8. ROLES AND RESPONSIBILITIES

9.1 The Board:

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

- ❖ approval of the CSR Policy of the Company;
- ❖ ensuring that the projects included in the CSR 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 CSR Policy;
- ❖ ensuring that the Company gives preference to the local areas around its operations for spending the amount earmarked for CSR projects;
- ❖ ensuring that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect;
- ❖ ensuring that it specifies the reasons in its report for not spending the earmarked amount in case the Company fails to spend such amount;
- ❖ dealing with the unspent amount as below:



- if the unspent amount relates to any ongoing project, the said unspent amount 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
- if the unspent amount does not relate to an ongoing project, transfer such unspent amount to a Fund specified in Schedule VII of the Companies Act, 2013, within a period of six months of the expiry of the financial year.
- ❖ ensuring that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year;
- ❖ monitoring the implementation of the ongoing project with reference to the approved timelines and year-wise allocation and make suitable modifications as may be required for the smooth implementation of the project within the overall permissible time period.

9.2 CSR Committee:

Section 135 (9) of the Act as introduced by the Companies (Amendment) Act, 2020 provides for an exemption from the requirement to constitute a CSR Committee where the amount to be spent by the company under section 135(5) of the Act does not exceed Rs.50 lakh in a financial year. In such cases, the functions of CSR Committee as provided under section 135 of the Act shall be discharged by the Board of Directors of such company.

During the previous financial year and current financial year, CSR amount spent were not exceed Rs.50 Lakh. Still, the board of directors of the Company considering increasing CSR spending, at the meeting held on 10th May, 2023 constituted a CSR Committee of the board of directors as follows:

- 1) Mr. Arunkumar D. Deshmukh : Chairman
- 2) Mrs. (Dr.) Anuja M. Sinha : Member
- 3) Mr. Satish Kumar Singh : Member



10. MONITORING AND REPORTING FRAMEWORK

Project Monitoring:

- 10.1 The Company will institute a well-defined monitoring and evaluation mechanism to ensure that each CSR program has:
- ❖ clear objectives developed out of the societal needs that are determined through research;
 - ❖ clear targets, time lines and measurable parameters wherever possible;
 - ❖ a progress monitoring and reporting framework that is aligned with the requirements of the section 135 of the Act and the CSR Rules.
 - ❖ details of need and impact assessment, if any, for the projects undertaken by the company
 - ❖ The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.
- 10.2 The Company will ensure CSR reporting annually in the format recommended in the Companies (Corporate Social Responsibility) Rules, 2014 and as amended from time to time as part of its annual report.
