

FAMY CARE LIMITED

CORPORATE SOCIAL

RESPONSIBILITY POLICY

## 1. Introduction

The Companies Act 2013 (hereinafter referred to as 'the Act'), has introduced the idea of CSR. It mandates qualifying companies to constitute Corporate Social Responsibility Committee to effectively monitor CSR activities of the Company.

Being a good corporate citizen is an integral part of Famy Care's core value. Making quality medicines at affordable prices has always been Famy Care's focus. The Company intends to support several community welfare, health and educational activities, both directly and indirectly by providing healthcare education, improvement of community infrastructure, etc.

## 2. Objective

CSR is strongly connected with the principles of Sustainability; an organization should make decisions based not only on financial factors, but also on the social and environmental consequences. Therefore, it is the core corporate responsibility of Famy Care Limited to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders.

With an endeavor to achieve our vision and fulfill our commitment to be a socially responsible corporate citizen, the CSR policy has been formulated with the following objectives:

- To lay down guidelines to embed CSR as a business process for development of the society.
- To generate goodwill and recognition among all stake holders of the company.
- To undertake projects/programmes which will enhance the quality of life and economic well-being of the communities in accordance with Schedule VII of the Companies Act, 2013 ("Act") read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("Rules")

## 3. Applicability

The Corporate Social Responsibility (CSR) Policy of Famy Care Limited ("Company") has been framed and made applicable in accordance with section 135 of the Companies Act, 2013 read with the Rules.

The Policy shall apply to the CSR Committee and all CSR projects/programmes undertaken by the Company in accordance with Schedule VII of the Act.

#### 4. Policy

- a) This policy shall be known as Corporate Social Responsibility Policy of the Company which is referred in this Policy as "the Policy" or "CSR Policy".
- b) The Policy shall be displayed on the website of the Company;

#### 5. Committee

- a) The Company has formed a committee which shall be known as the Corporate Social Responsibility Committee ("the Committee");
- b) The Committee shall consists of three or more directors, out of which at least one director shall be an independent director at all point of time;
- c) The composition of the Committee shall be disclosed by the Board of Directors of the Company in its Report;
- d) The committee shall be responsible for the implementation/monitoring and review of this policy and various projects/activities undertaken under the policy. The CSR Committee shall submit periodical reports to the board of directors.

#### 6. CSR Activities

The scope of CSR activities of the Company will inter-alia cover the below mentioned key thrust areas.

- i. eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- ii. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- iii. 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;

- iv. 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;
- v. 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;
- vi. measures for the benefit of armed forces veterans, war widows and their dependents;
- vii. training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
- viii. 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 Caste, the Scheduled Tribes, other backward classes, minorities and women;
- ix. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- x. rural development projects;
- xi. Slum area development;

The CSR Activities shall not include the following: -

- a. activities undertaken in pursuance of normal course of business of the Company;
- b. activities that benefit only the employees of the company and their families;
- c. any contribution to any political party;
- d. Any CSR projects/programs or activities undertaken outside India.

The Memorandum Explaining the Finance (No.2) Bill 2014 has provided that the CSR expenditure which is of the nature described in section 30 to section 36 of the Act shall be allowed deduction under those sections subject to fulfillment of conditions, if any, specified therein. Accordingly,

the following are the relevant sections where the deduction for CSR expenditure can be claimed. The permissible CSR activities are broadly given in Schedule VII of the Companies Act, 2013 as follows :

Sec	Brief description	Applicable to	Deduction	Covered under CSR
35AC	<p>Donations made to a public sector company or a local authority or to an association or institution approved by the National Committee for carrying out eligible projects or schemes are deductible.</p> <p>A Company may claim deduction even if it spends the amount on eligible project or scheme by itself instead of donating the amount.</p> <p>The words "eligible project or scheme" are defined as any project or scheme for promoting social and economic welfare or the uplift of the public as per notifications of the Central Government issued on the recommendation of the National Committee.</p>	All	100%	It may fall under items mentioned in (i) ,(ii) &(x) of the Schedule VII to the Companies Act,2013
35CCA	Donation to National Urban Poverty Eradication Fund	All	100%	Schedule VII (i) under "eradicating hunger, poverty and malnutrition"
35CCC	Expenditure incurred by an assessee on notified agricultural extension project (subject to certain conditions). The project shall be undertaken by an	All	150%	Schedule VII (ii) under

	assessee for training, education and guidance of farmers - As of now, no agricultural extension project has been notified by the CBDT			"promoting education"
35CCD	Expenditure (other than land or building) incurred on a notified skill development project. As of now, no skill development project notified by the CBDT	Co. engaged in the business of manufacturing any article or thing or providing specified services,	150%	Schedule VII (ii) under "promoting education"
35(1)(ii)	Donation to a research association which has as its object the undertaking of scientific research or to a University, college or other institution to be used for scientific research	All assessee	175%	It may fall under respective areas of Items defined in Schedule VII. Otherwise under "promoting education"
35(1)(ia)	Donation to an approved company to be used by it for scientific research.	All assessee	125%	--do--
35(1)(iii)	Donation to a research association which has as its object the undertaking of research in social science or statistical research	All assessee	125%	--do--

	or to a University, college or other institution to be used for research in social science or statistical research [Refer Note-3]			
<b>35(2AA)</b>	Donation to a National Laboratory or a University or IIT or a specified person with a specific direction that the said sum shall be used for scientific research undertaken under a programme approved by the prescribed authority,	All assessee	200%	--do--

Besides, 100% deduction under section 80G can be claimed by contributing it to "The Prime Minister's National Relief Fund" which falls under Schedule VII under (viii) "contribution to the Prime Minister's National Relief Fund"

## 7. Contribution towards CSR Activities

The Board of the Company shall ensure that the Company spends, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of the Policy;

The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company and shall be carried forward for spending in the next financial year.

The Company shall give preference to the local area and areas around it where it operates for spending the amount earmarked CSR activities;

### Failure to spend the CSR Money

In case the Company fails to spend the above targeted amount in that particular financial year, the Committee shall submit a report in writing to the Board of Directors specifying the reasons for not spending the amount which in turn shall be reported by the Board of Directors in their Directors' Report for that particular Financial Year.

## 8. Implementation

- a. The Board may decide to undertake its CSR activities approved by the CSR Committee through a registered trust or registered society or company established by the Company or its subsidiary or associate company under the Companies Act, 2013;

Provided that if such trust, society or company is not established by the company or its holding or subsidiary company or associate company it shall have an established

track record of 3 years in undertaking similar programs or projects;

- b. The Company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs in accordance with these rules.
- c. Companies may build CSR capacities of their own personnel as well as those of their Implementing agencies through Institutions with established track records of at least three financial years but such expenditure shall not exceed five percent of total CSR expenditure of the company in one financial year.

#### 9. Monitoring and Reporting

- a. The CSR Committee shall monitor and review the progress of activities undertaken/ completed;
- b. The Board of Directors of the Company should periodically review the implementation of the Policy and CSR Activities;
- c. The Board Report shall consist a section of Annual Report on CSR as per the format prescribed under the Rules;

#### 10. Amendment

The Company reserves its right to amend or modify the Policy in whole or in part, so long as it is not inconsistent with the provision of the Act and Rules.

#### 11. Policy review & future amendment

The Committee shall review its CSR Policy from time to time and make suitable changes as may be required and submit the same for the approval of the Board.