

FREDUN PHARMACEUTICALS LIMITED

**REGISTERED OFFICE: 26 MANOJ INDUSTRIAL PREMISES G D AMBEKAR WADALA
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CORPORATE SOCIAL RESPONSIBILITY POLICY (CSR POLICY)

This Corporate Social Responsibility (hereinafter referred to as 'CSR') Policy is framed in terms of the Companies Act, 2013 (hereinafter referred to as 'the Act') read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as 'the CSR Rules'), as amended from time to time.

A. PREAMBLE:

Corporate Social Responsibility is a process through which a Company contributes to the economic and social development of communities in which it operates. CSR is the Company's commitment to integrate social and environmental concerns in its business operations while recognizing the interest of all its stakeholders.

B. VISION STATEMENT, OBJECTIVE AND APPLICABILITY:

1. The CSR Policy sets out our commitment to ensuring that our activities extend beyond business and includes initiatives and endeavors for the benefit and development of the community and society. The CSR Policy lays down the guidelines for undertaking programmes geared towards social welfare activities or initiatives. Through this CSR Policy, the Company proposes to adopt short, medium and long- term CSR programs and initiatives.
2. This CSR Policy has been framed in accordance with the applicable provisions of the Companies Act, 2013 ("Act") and the rules issued thereunder.
3. We are committed to further capacity building, empowerment of communities, inclusive socioeconomic growth, environment protection, promotion of green and energy efficient technologies, development of backward regions and upliftment of the marginalized and underprivileged sections of the society.
4. We are committed to operate and grow its business in a socially responsible way. Our vision is to grow our business whilst reducing the environmental impact of our operations and increasing our positive social impact.

C. DEFINITION AND INTERPRETATION

1. **"Board"** means the Board of Directors of the Company.
2. **"Company"** means **FREDUN PHARMACEUTICALS LIMITED**.
3. **"CSR Activities"** means such programs and projects as may be approved by the Board in terms of this CSR Policy.
4. **"CSR Committee"** means a committee constituted by the Board of Directors in terms of Section 135 of the Act and the CSR Rules.
5. **"CSR Rules"** means the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.
6. **"CSR Expenditure"** means the amount recommended by the CSR Committee to be incurred on the CSR Activities in India in terms of the Act and the CSR Rules as approved by the Board from time to time.
7. **"Director"** means a member of the Board of the Company.
8. **"Net Profits"** means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include (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.

Any term not defined above, shall have the meaning assigned to it under the Act or the CSR Rules.

D. CSR COMMITTEE:

The CSR committee will be the apex body that will oversee our CSR policy and programmes. The CSR Policy is approved by the Board and is available on the website of the Company.

The Company will institute a CSR Committee of the Board consisting of three or more directors including at least one Independent Director. The Committee will meet at least twice a year and further as frequently as necessary to discharge its duties in an effective manner.

COMPOSITION OF CSR COMMITTEE:

Sr. No	Name	Position in the Committee
1	Mr. Rohinton Kanga	Chairman
2	Dr. (Mrs). Daulat Medhora	Member
3	Mr. Fredun Medhora	Member

The Company Secretary will serve as the Secretary of the CSR Committee.

Powers of the Committee:

Following are the Powers of the CSR Committee:

- 1) Formulate and amend, time to time, this CSR Policy and recommend the same to the Board of Directors of the Company for approval and adoption.
- 2) To recommend and undertake such CSR activities as approved by the Board of Directors of the Company.
- 3) To monitor the implementation of CSR activities in terms of the CSR Policy.
- 4) To review projects/ programmes periodically.
- 5) To ensure legal and regulatory from CSR viewpoint
- 6) To ensure reporting and communication to stakeholders.

Monitoring and Functioning of the Committee:

The Committee towards effectuation and implementation of the CSR Activities shall identify and recommend the specific CSR activity(ies) to the Board of Directors of the Company (Board) for its consideration and approval. Based on the approval of the Board, required funds shall be infused into the Board approved CSR activities. The same shall constitute the CSR Contribution of the Company for the relevant financial year.

The Committee shall monitor the implementation of the CSR activities, towards which end, progress updates on CSR activities undertaken, shall be submitted to the Board, from time to time.

E. IMPLEMENTATION OF THE CSR POLICY:

The following rights and responsibilities vests in Board of Directors of the Company in connection with the CSR Policy and Framework:

1. To approve the CSR Policy after taking into account the recommendations made by the CSR Committee.
2. The Board shall be responsible for implementing the mandate of the CSR Policy and shall ensure that the CSR Activities are carried out in accordance with the CSR Policy read with the Act and CSR Rules and the annual action plan formulated and recommended by the CSR Committee.
3. To ensure that the objectives of CSR Policy are being met in an efficient and effective manner, the utilization of the amount sanctioned towards CSR Activities should be reported by the CSR Committee to the Board on time to time basis in such manner as may be prescribed.
4. The Board shall empower the Implementation Group to finalize, approve and execute various agreements, deeds, writings, confirmations, undertakings or other documents, as may be necessary, under the Common Seal of the Company or otherwise, with any party including Implementing Agencies and/or others for the purposes of the CSR Policy and accept modifications, changes and amendments to any such documents/ agreements as it may deem fit.
5. To ensure that Company makes mandatory disclosures in the Company's Annual Reports and website, relating to CSR Committee members, Policy and the activities undertaken.
6. The Board shall ensure that identified work is duly undertaken and The contribution by the Company in any financial year towards CSR Activities shall be a minimum of 2% of its average Net Profits for three immediately preceding financial years calculated in accordance with the provisions of section 198.
7. To Approve for transfer of unspent CSR Amount if any in accordance with the law.
8. A special bank account, called an Unspent CSR Account for each financial year to be opened by the Company in any scheduled bank. The account shall be credited with following:
 - i. Any amount remaining unspent pursuant to any ongoing project, undertaken by a Company in pursuance of its CSR Policy shall be transferred by the Company in the unspent CSR Account within a period of thirty days from the end of the financial year.

- ii. The amount transferred to the unspent CSR account shall be spent by the Company in pursuance of its obligation towards the CSR Policy within a period of three financial years from the date of such transfer.
- iii. Any surplus amount from CSR Project which is discontinued or completed.

For ongoing projects if the Company fails to spend the amount within a period of three financial years, the amount shall be transferred to a Fund specified in the Act and rules made there under, within a period of thirty days from the date of completion of the third financial year.

8. In case of an ongoing project, the board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modification, if any required.

9. The company will undertake various projects falling within the CSR objectives of the company in line with Schedule VII of Companies Act, 2013. The implementation of various initiatives will be ensured with involvement from implementing agencies like Trusts, NGOs, Societies, Other Companies established by the company in compliance with Companies Act, 2013.

CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES (CSR ACTIVITIES):

CSR activities mean any one or more of the following objectives/purposes, being pursued/undertaken/to be undertaken the Company, either directly or in collaboration with other companies or any other registered trust or society or a company set up for the purpose of undertaking similar programs or projects, within the purview of CSR Rules:

- (i) Eradicating hunger, poverty and malnutrition, “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 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, 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;

(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 art and handicrafts;

(vi) measures for the benefit of armed forces veterans, war widows and their dependents; Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows];

(vii) training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;

(viii) 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 and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

(ix)

(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 Defense Research and Development Organization (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).]

(x) rural development projects

(xi) slum area development

Explanation. - 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.

(xii) disaster management, including relief, rehabilitation and reconstruction activities.

F. REPORTING AND RECORD KEEPING:

The committee shall maintain proper minutes of all its meetings.

The Board's report of the Company shall include an annual report on CSR containing the particulars set out in CSR Rules and such other details as may be prescribed from time to time under the Act and the CSR Rules.

In respect of the reporting, the Board will be responsible to ensure that:

(i) The report of the Board includes the annual report on CSR Activities of the Company and sets out the requisite information in terms of the Act and the Rules;

(ii) The contents of the latest and updated version of the CSR Policy is included in the report of the Board;

(iii) The contents of the CSR Policy along with composition of the CSR committee, and projects approved by the Board are also made available on the website (if any) of the Company.

(iv) In case of failure to ensure the minimum CSR Expenditure, detailed reasons for the same are adequately disclosed in the Board Report.

H. CSR CONTRIBUTION:

The contribution by the Company in any financial year towards CSR Activities shall be a minimum of 2% of its average Net Profits for three immediately preceding financial years calculated in accordance with the provisions of section

I. TREATMENT OF SURPLUS ARISING OUT OF CSR ACTIVITIES:

It is hereby explicitly stated that any surplus arising out of the CSR Activities shall not form a part of the business profits of the Company.

I. OVERALL IMPROVEMENT IN FUNCTIONING AND IN DISCHARGE OF CSR:

The Committee shall from time to time explore the ways and means whereby improvements that need to be brought about towards the discharge of CSR by the Company are identified and steps taken to ensure that measures necessary to effectuate the areas of improvement so identified are taken in the right earnest.

IMPLEMENTATION OF CSR PROGRAMMES/ PROJECTS:

The CSR Projects will be implemented either directly by the Company or through Fredun Foundation, a trust registered under Public Trust Act, 1882.

DISPLAY OF CSR POLICY ON WEBSITE:

The composition of CSR Committee, and CSR Policy and Projects approved by the Board will be displayed on the company's website, for public access.

GENERAL:

Any term or aspect not specifically defined or set out in this Policy shall be construed to mean what is laid down in respect thereof under the Act or the CSR Rules.

AMENDMENTS:

The Board of Directors, either on its own or as per the recommendations of CSR Committee, can amend this Policy, as and when required. The decision of the Board of Directors on all matters, relating to this Policy, shall be final and binding upon all concerned. This Policy is subject to continuous review and updates as required from time to time.