

PHARMA SYNTH FORMULATIONS LIMITED.

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ANNEXURE - II

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

1. CSR Philosophy

The PHARMA SYNTH FORMULATIONS LIMITED strives to be a socially responsible company and strongly believe to development of society at large.

2. Objective

The objective of this Policy is to set guidelines for carrying out CSR activities by the Company and also to set up process of execution implementation and monitoring of the CSR activities to be undertaken by the Company.

3. CSR Obligations

Pursuant to Section 135 of the Companies Act, 2013 (Act) and Companies (Corporate Social Responsibility Policy) Rules, 2014 (Rules) and Schedule VII appended to said Act and Circular No. 21/2014 dated 18.06.2014 of Ministry of Corporate Affairs (Collectively referred hereinafter as "Regulations") since net profit of the company exceeds Rs. 5 crores during financial year 2019-20 provisions of CSR are applicable to the company.

4. Composition of CRS Committee

In compliance of above Regulations, Board of Directors of the Company has constituted CSR Committee consisting of following three directors:

1. Phoolwati Jain
2. Arvind Kumar Gupta
3. Ramesh Chand Jain

5. Committee

In terms of Section 135(3) of the said Act, the CSR Committee shall:

- (a) Formulate and recommend to the Board, a CSR Policy;
- (b) Recommend to the Board CRS activities to be undertaken by the Company as specified in Schedule VII appended to the Act during any financial year along with detailed plan, modalities of execution, implementation, schedule, monitoring process and amount to be incurred on such activities.
- (c) Monitor the CSR Policy of the Company from time to time and ensure its compliance.

6. Governance.

- (i) The CSR Committee is responsible for monitoring of all CSR activities from start to finish.
- (ii) Programs to be supported via CSR will be selected by it through a transparent process and it shall institute a transparent monitoring mechanism for implementation of the CSR activities undertaken by the Company.

7. CSR Activities

The Policy recognizes that corporate social responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas as notified under Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014:

- (i) Promoting education, including special education & employment enhancing vocation skills especially among children, women, elderly & the differently-able and livelihood enhancement projects;
- (ii) Reducing child mortality and improving maternal health by providing good hospital facilities and low cost medicines;
- (iii) Providing with hospital and dispensary facilities with more focus on clean and good sanitation so as to combat human immunodeficiency virus (HIV), acquired immune deficiency syndrome (aids), malaria and other Diseases
- (iv) Ensuring environmental sustainability, ecological balance, protection of flora & fauna, animal welfare, agro-forestry, conservation of natural resources & maintaining quality of soil, air & water;
- (v) Protection of national heritage, art & culture including restoration of buildings & sites of historical importance & works of art, setting up of public libraries, promotion & development of traditional arts & handicrafts;
- (vi) 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 Castes, the Scheduled Tribes, other backward classes, minorities and women;
- (vii) Rural development projects;
- (viii) Any such activities which may be recognized by the Ministry of Corporate Affairs from time to time for the purpose of CSR activities as prescribed in Schedule VII of the Companies Act, 2013.

8. The Geographical reach

Regulations provides that the CSR activities shall be undertaken only in India for the benefit of the public in general and not only for the employees of the Company and their family.

9. Implementation of CSR activities

- (i) The Company may undertake CSR activities through registered trust or society or any company, established by the company, its holding or subsidiary company under Section 8 of the Act for such non-for-profit objectives. Provided that the Company can carry out the CSR activities through such other institutes having an established track record of 3 (three) years in undertaking the CSR activities.
- (ii) The Company may collaborate with other companies for undertaking the CSR activities subject to fulfillment of separate reporting requirements as prescribed in the Regulations.
- (iii) The CSR activities shall not include any activities undertaken by the Company in pursuance of normal course of business of the Company.
- (i) The Company shall not make any payment directly or indirectly to Political Party (ies) for CSR activities.

10. Governance:

Pharma Synth Formulations Limited 's board of directors have formed a CSR committee. This committee along with CSR team shall be responsible for decision making with respect to company CSR policy..

The CSR committee shall meet at least twice in a year to review the implementation of CSR projects/programs and give suitable direction.

11. CSR Expenditure

The Company would strive to spend at least 2% (two percent) of the average Net Profits of the Company made during the three immediately preceding financial years. The surplus arising out of the CSR activity will not be part of business profits of the Company.

In case if 2 % of the average net profit of last three years is not spent in a financial year the reasons for the same shall be specified in CSR report.

12. CSR REPORT OF THE COMPANY

As a responsible corporate citizen, the Company has been undertaking social welfare and environment friendly initiatives since many years. **PHARMA SYNTH FORMULATIONS LIMITED** recognizes its obligations to act responsibly, ethically and with integrity in its dealings with employees, community, customers and the environment as a whole. we know that corporate responsibility is essential to our current and future success as a business. The company believes it has better opportunity to drive values through CSR initiatives in areas pertaining to Health, Education, Women empowerment, and rural development and is committed to improving the quality of life in communities in many years. During the financial year the company has incurred a sum of Rs16,14,406/- on CSR Activities The amount is 2.82 % of average profit of last three years