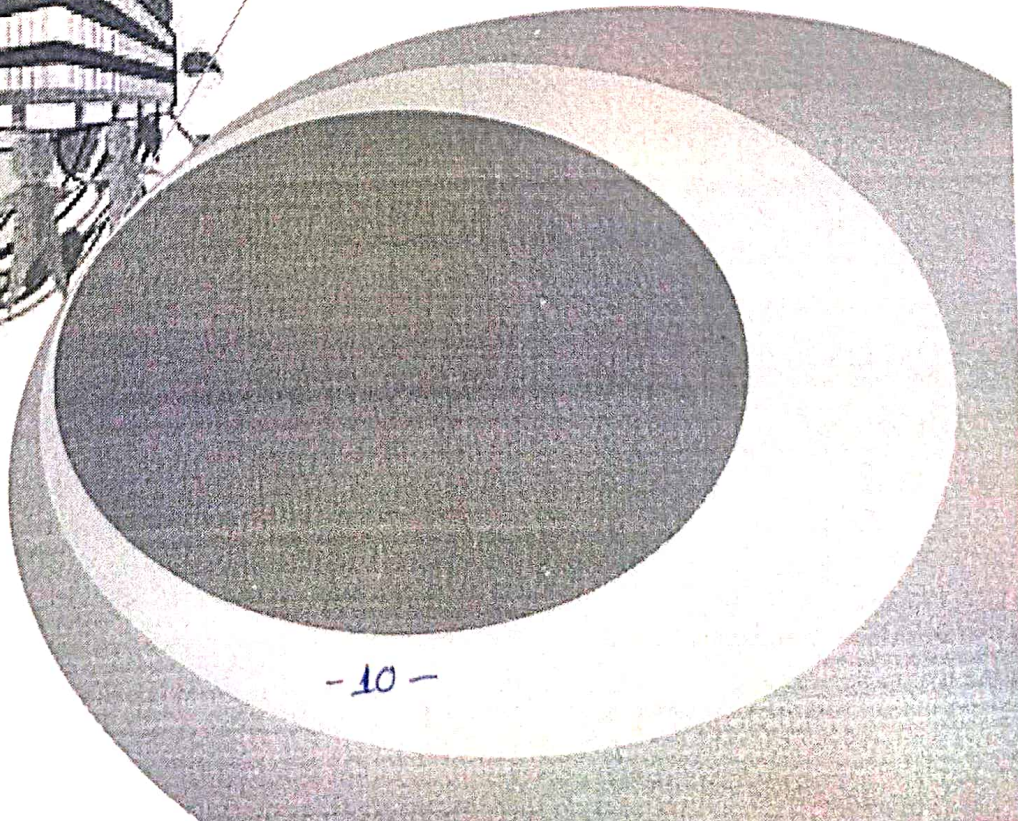


UTTAR PRADESH MEDICAL SUPPLIES
CORPORATION LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY



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This Corporate Social Responsibility Policy ("the CSR Policy") has been framed by **UTTAR PRADESH MEDICAL SUPPLIES CORPORATION LIMITED (UPMSCL)** in accordance with the Section 135, Schedule VII of the Companies Act, 2013 and CSR Rules issued by the Ministry of Corporate Affairs on February 27, 2014.

Unless the context otherwise requires, the definitions mentioned in the notification dated February 27, 2014 and Companies Act 2013, shall apply to this CSR Policy.

1. CORPORATION PHILOSOPHY FOR CSR POLICY:

Companies Act, 2013 has formally introduced the Corporate Social Responsibility to the dash Board of the Indian Companies. UPMSCL is much positive and appreciate the decision taken by the Government of India. Legal framework of CSR is an edge to Corporate Charitable/reformative approach towards the Society to which the Corporate is belonging to.

By introducing the separate section for CSR in Companies Act, 2013, the Government has given legal recognition to their community development approach. The management of the UPMSCL expresses its willingness and support to the CSR concept, its legal framework and shall be abided to it.

2. VISION AND MISSION OF THE POLICY:

UPMSCL is committed to build a sustainable business with strong social relevance and a commitment to inclusive growth and contribute to the society by supporting causes CSR activities.

In pursuance of our vision UPMSCL is dedicated towards fulfilling the social objectives through various CSR activities. The Corporation shall make its endeavour to positively impact and influence the Society for its sustainable development.

3. PURPOSE:

The Companies Act, 2013 has brought greater emphasis on CSR with rules that provide guidance on minimum CSR spend, focus areas, implementation mechanism and reporting to the shareholders of the Corporation.

UPMSCL CSR Policy has been designed keeping in view the Corporation's business vision, its CSR vision and long-term social objectives that the Corporation wants to

achieve. This Policy has been created with the purpose to outline its CSR focus areas, review mechanism, execution process and reporting mechanism.

4. RESPONSIBILITY OF THE BOARD OF DIRECTORS

The responsibility of the Board of Directors shall be as under:

- a) To approve the CSR Policy & disclose the contents of such policy in its report and also place it on the Corporation's website;
- b) Ensure that the activities proposed in the CSR Policy are undertaken;
- c) Ensure that the Corporation spends, in every financial year, at least 2% of average net profits of the Corporation made during the 3 immediately preceding financial years, as required under Section 135 of the Companies Act, 2013 & Rules made thereunder;
- d) If Corporation fails to spend the sum as mentioned above, then the Board shall, in its Report specify the reasons for not spending the amount.

5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

A. CONSTITUTION OF CSR COMMITTEE

A Corporate Social Responsibility Committee ("the CSR Committee") has been constituted by the Board of Directors to oversee the CSR agenda of the Corporation. The committee has been formed as per the requirements of Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014.

Board of Directors shall be empowered to take decision for making or effecting changes in the constitution of the CSR Committee.

Board of Directors of the Corporation may re-constitute the Committee, as and when required to do so, by following the Rules therefor.

The composition of CSR Committee shall be disclosed in the Board of Directors' Report.

B. RESPONSIBILITIES OF THE CSR COMMITTEE:

- a) To formulate & recommend to the Board of Directors, a CSR Policy indicating the activities to be undertaken as specified in Schedule VII of the Companies Act, 2013 and modify / amend the same as required;
- b) To review and approve annual budgets with respect to CSR programs;

- c) To develop and institutionalize a CSR reporting mechanism in light with Section 135, Rule 8 of the Companies Act 2013;
- d) To ensure that UPMSCCL website displays the approved CSR policy of the Corporation.
- e) To monitor the CSR Policy, Projects and Programs from time to time.

C. MEETINGS OF CSR COMMITTEE:

- a) The CSR Committee shall meet at least once in six months. The meeting shall be held either at the registered office of the Corporation or any other place, as may be decided by the members.
- b) Physical presence of a minimum of two members of the committee shall constitute the quorum.

D. NOTICE OF MEETING

At least three days advance notice of every meeting, specifying the day, place and timing of Meeting and the general nature of the business to be transacted there at shall be given to the members. In urgency, a meeting may be convened by shorter notice.

6. CSR ACTIVITIES:

The Board of Directors has reviewed the said activities and express its consent to the Committee to pursue the said activities under CSR policy of the Corporation under section 135 of the Companies Act, 2014, Schedule VII and other applicable rules, regulations, notifications etc., issued/to be issued from time to time:

- 1. eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- 2. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- 3. 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;
- 4. 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;

5. 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;
6. measures for the benefit of armed forces veterans, war widows and their dependents;
7. training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
8. 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;
9. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
10. rural development projects;
11. Any other measures with the approval of Board of Directors on the recommendation of CSR Committee subject to the provisions of Section 135 of Companies Act, 2013 and rules made there-under.

EXCLUSIONS:

Following activities shall be excluded from the CSR expenditure of HMSI:

- a) Activities which are exclusively for the benefit of employees of the Corporation or their family members;
- b) Activities undertaken in pursuance of normal course of business of the Corporation;
- c) Direct or indirect contribution to political parties;
- d) Expenditure on item/s not in conformity with Schedule VII of the Companies Act 2013;
- e) Surplus arising out of CSR projects shall not form part of the business profits of Corporation instead the same will be further used for CSR purposes only.

7. IDENTIFICATION OF ACTIVITIES/ PROJECTS:

Out of approved CSR activities, the Committee shall decide which activity/project should be given priority for the respective financial year. While arriving at the decision of the activity to be undertaken for the respective year, the Committee shall analyse the basic need of the community/ area in which the Organisation operates or at the place where its registered office is situated. The Committee shall record its findings and prioritised the CSR activities.

8. BUDGET FOR CSR ACTIVITY & CSR EXPENSES:

The Corporation shall allocate the budget for CSR activities. The minimum budgeted amount for a financial year shall be 2% of the average net profit of three immediate preceding financial years.

The Corporation may allocate more fund/amount than the amount prescribed under section 135 of the Companies Act, 2013, for the CSR activities for any financial year. The Committee shall calculate the total fund for the CSR activities and recommend to the Board for the approval. The Board shall approve the total fund to be utilized for CSR activity for respective financial year.

CSR expenditure shall include all expenditure including contribution to corpus for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but do not include any expenditure on an item not in conformity or not in line with activities which fall within the approved CSR activities.

9. IMPLEMENTATION PROCESS:

The Corporation may conduct / implement CSR programs/ activities through:

- i. The registered public trust (instead of any registered trust) and registered society registered under section 12A & 80G of the Income Tax Act (instead of any registered society) established by the company, either singly or along with any other company or having an established track record of at least 3 years in undertaking similar activities.
- ii. The following entities:
 - Section 8 Company established by the company, either singly or along with any other company; or
 - Section 8 Company or any registered trust or any registered society established by the Central Government or State Government; or
 - any entity established under an Act of Parliament or a State legislature; or
 - Section 8 Company having an established track record of at least 3 years in undertaking similar activities.
- iii. The Board of a company shall satisfy itself 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.

- iv. In case of ongoing project, the Board of a company 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.

10. ORGANISATIONAL RESPONSIBILITY:

- At organisational level for implementation of agreed CSR activity, the Internal Committee/ CSR Internal Team, UPMSCCL would be as follows:

1	Additional Managing Director, UPMSCCL	Chairman
2	Finance Controller, UPMSCCL	Member
3	Manager Finance, UPMSCCL	Member
4	GM, AHL	Member
5	Manager, IT	Secretary of this committee

- The CSR Committee may change the constitution of this Internal Team as and when required.

-The Internal Team shall monitor the implementation process from time to time, on behalf of the CSR committee and place a report to the Committee regarding the progress of the activity implementation atleast once in a year.

- All projects undertaken shall be monitored on a regular basis. On-site monitoring would also be undertaken at least once a year to ensure on-track implementation.

- The Internal team may appoint an external third party to monitor / review / audit the progress (financial and programmatic) of the CSR projects. in consultation with CSR Committee.

- The Internal team would be responsible for reporting of any irregularity in CSR activities to the Committee on immediate basis.

11. MONITORING BY THE BOARD:

The Board of Directors shall constantly monitor the implementation of the CSR activities. The CSR committee shall place a report, including details of expenses, before the Board atleast once a year. The Board shall review the same and suggest recommendation, if any, to the committee with regard to implementation process. Compliance and Reporting to Board: The Committee is responsible to undertake CSR

activities as per the approved CSR Policy. Apart from reporting to the Board about the implementation of CSR activity, a detail report containing the implementation schedule, total budget allocated, actual expenses incur, surplus arising, if any, result achieved, further work to do in the concern CSR activity, Recommendation for the CSR activities for next year etc. should be placed before the Board for its consideration.

Any surplus arising out of the fund allocated for CSR activity shall not be the part of the business profit of the Corporation.

12. MANAGEMENT COMMITMENT:

Our Board of Directors, our Management and all of our employees subscribe to the philosophy of compassionate care. We believe and act on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. This is the cornerstone of our CSR policy. Our Corporate Social Responsibility policy conforms to the relevant section of the Corporate Social Responsibility, Rules made under Companies Act, 2013 and amendment(s) to be made thereto in future.

The Corporation will contribute to sustainable development by its economic activities combined with the fulfilment of its social responsibilities relating to the education, health, safety and environment.

13. DISPLAY OF CSR ACTIVITIES ON THE WEBSITE OF THE CORPORATION:

The contents of the CSR activities shall be displayed on the website of the Corporation.

14. DISCLOSURES AND REPORTING:

The progress will be reported to the CSR Committee during the committee meetings. The progress on CSR programs undertaken by the Corporation will be reported in the Annual Report in the format prescribed by the CSR Rules 2014.(Annexure-1)

15. EFFECTIVE DATE

The CSR Policy shall be effective from the date of its approval by the Board of Directors.

ANNEXURE-1

THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

Sr. No	Particulars	Remarks
1	A Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR policy and project or programs.	
2	The Composition of the CSR Committee.	
3	Average net profit of the Company for last three f. Y.	
4	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above)	
5	5 Details of CSR spent during the financial year: a) Total amount to be spent for the financial year b) Amount unspent, if any; c) Manner in which the amount spent during the financial year is detailed below	

S.No.	CSR project or activity Identified.	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency * 1 2 TOTAL

*Give details of implementing agency:

1. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount in its Board report.

^{F7.9} 2. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company.

(Chief Executive Officer or Managing Director or Director)	(Chairman CSR Committee)	(Person specified under clause (d) of sub-section (1) of section 380 of the Act) (Where applicable)