

CORPORATE SOCIAL RESPONSIBILITY POLICY OF FDC LIMITED

1. PREAMBLE

Corporate Social Responsibility Policy (CSR), in India, has traditionally been seen as a philanthropic activity. In keeping with the Indian tradition, it was an activity that was performed, but not deliberated. The practice of CSR still remains within the philanthropic space, but has recently moved from institutional building, such as educational, research and cultural, to community development, through various projects.

The concept of CSR is now governed under the provisions of Section 135 of the Companies Act, 2013 (the Act). The new provisions are applicable from the Fiscal year 2014-2015 onwards.

2. FDC'S VISION

FDC Limited is contributing, over the years, towards the development of society, through various charitable trusts, helping the needy people to meet their needs with respect to education, medical, healthcare, etc. As a commitment towards society, FDC has been contributing, at vast levels, through its CSR initiatives. On the road to these initiatives, FDC has formulated this CSR policy, which would detail down the guidelines and mechanism for undertaking various social welfare activities, for the benefit of different segments of society.

3. CSR POLICY OBJECTIVES

The main objectives of FDC's CSR Policy are as follows:

- To nurture FDC's mission, for dedicated care, towards the under privileged people around it, for their needs towards education, medical, healthcare, etc.
- To directly, or indirectly, undertake programmes that would benefit the communities in and around it's work centres, over a period of time, in enhancing the quality of life and economic well-being of the local populace.
- To generate, through CSR initiatives, a community goodwill for FDC and help reinforce a positive and socially responsible image of FDC, as a corporate entity.

4. CSR COMMITTEE OF BOARD OF DIRECTORS

A CSR Committee of Board of Directors has been formed, in pursuance of the CSR provisions under the Companies Act, 2013.

FDC's CSR Committee comprises of 4 (Four) Directors, including 1 (One) Independent Director. The Board may re-constitute the same, in future, by alteration of new committee members or in any other manner, whatsoever.

The CSR Committee shall:

- Formulate and recommend a CSR Policy to the Board, indicating the activities, as specified under Schedule VII of the Act.
- Approve the amount of expenditure to be incurred on the selected activities, indicated in the Policy
- Monitor the activities undertaken under the CSR policy, at regular intervals.

5. BUDGET FOR CSR

- For realising its CSR objectives, through implementation of meaningful and sustainable CSR programmes, FDC will allocate 2% of its average net profit made during 3 (Three) immediately preceding financial years, as its annual budget. The amount of such Annual Budget shall be approved by the Board of Directors at its first meeting held at the beginning of the Financial Year.

From the annual CSR budget allocation, various CSR activities shall be undertaken as specified in point 6 below either independently by the Company or through recognised, independent, Non-Governmental Organisations (NGOs) or Non-Profit Institution or any approved organisations by the Government for undertaking CSR Activities.

- Any unspent/unutilised CSR allocation, of a particular year, will be carried forward to the following year as per the discretion of the Board of Directors from time to time.

This budget does not restrain FDC from spending more amounts for viable long term welfare projects, approved by its Board. CSR projects/activities, as may be identified and approved by the CSR Committee, will be placed before the Board for its status review and noting. The surplus arising out of the CSR projects or programs or activities will not form part of the business profit of a company and shall be utilized for the purpose of specified CSR activities.

6. FDC'S CSR PROJECT/ACTIVITIES

FDC would contribute towards the following thrust areas and strategic initiatives, directly or indirectly through registered charitable trusts, in the areas where its business operates, or any other area:-

- a. Education enhancement, particularly for the girl child.
- b. Eradicating hunger, poverty and malnutrition

- c. Ensuring Environment, Ecological Balance, Conservation of Natural Resources.
- d. Protection of National Heritage
- e. Measures for the Benefits of Armed Forces veterans, war widows and their dependants.
- f. Contribution to the Prime Minister's National Relief Fund or any such fund set up by Central Government for socio economic development.
- g. Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine.
- h. Contributions to public funded Universities; IIT's, DAE, DBT, DST, AYUSH, DRDO, ICAR, ICMR, CSIR, SDG.
- i. Healthcare/Medical facilities.
- j. Drinking water/Sanitation.
- k. Skill Development/Women empowerment.
- l. Sustainable income generation amongst rural families.
- m. Heating, through solar power/Community lighting.
- n. Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports

In addition to the abovementioned activities, FDC may contribute towards various initiatives put forth by the Government of India from time to time and declared to be eligible for CSR Contribution.

7. IMPLEMENTATION

The approved CSR programme will be monitored and implemented by CSR Committee members, with the assistance of designated Senior Executives of FDC, at various locations, and it would be an endeavour to take up 70% of the thrust areas of CSR projects, in villages/areas, surrounding FDC factory locations or its Offices.

8. MONITORING & FEEDBACK

The development and progress of the CSR activities undertaken shall be reported to the CSR Committee, by the concerned NGOs, on quarterly basis, with respect to the name of the CSR project, area covered, budget amount, amount spent directly/indirectly, etc.

9. QUARTERLY REPORTING

A quarterly status report, on the CSR activities undertaken, shall be placed before the Board by the CSR Committee for its review and noting.

10. MODIFICATION OF POLICY

The CSR Committee may modify this Policy, unilaterally, at any time. Modification may be necessary, among other reasons, to maintain compliance with the rules and regulations imposed by the Regulatory authorities.