



Corporate Social Responsibility (CSR) Policy

A. Background:

With effect from April 1, 2014, every company, private limited or public limited, which either has a net worth of Rs 500 crore or a turnover of Rs.1,000 crore or net profit of Rs 5 crore, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility activities. The CSR activities should not be undertaken in the normal course of business and must be with respect to any of the activities mentioned in Schedule VII of the 2013 Act.

B. CSR Policy

I. Effective date

This policy will come into force with effect from March 09, 2015

II. CSR Concept / Objectives

Corporate Social Responsibility 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 Family Health Plan (TPA) 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.

III. CSR Committee

- i. The Board of Directors of the Company shall constitute a Corporate Social Responsibility Committee (CSR Committee) of the Board consisting of three or more directors, out of which at least one shall be an Independent Director.
- ii. The Committee, referred above, shall have the following powers:
 - Formulate CSR Policy and recommend the same to the Board of Directors of the Company for approval.
 - Recommend CSR activities as stated under Schedule VII of the Act.

- Approve to undertake CSR activities in collaboration with other Companies/firms/NGOs/Trusts etc. and to separately report the same in accordance with the CSR Rules.
 - Recommend the CSR Budget
 - Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules.
 - Create transparent monitoring mechanism for implementation of CSR Initiatives in India.
 - Submit the Reports to the Board in respect of the CSR activities undertaken by the Company.
 - Monitor CSR Policy from time to time.
 - Be responsible for implementation and monitoring of CSR projects or programmes or activities of the Company.
 - Authorize executives of the Company to attend the CSR Committee Meetings.
- iii. The CSR Committee shall meet as and when deemed necessary.
- iv. Quorum of meeting of CSR Committee shall be one third of the total strength or two directors, whichever is higher.
- v. The CSR Committee may invite Executives, Advisors, representatives of Social Organizations, Auditors of the Company and such other person (s) as it may consider necessary to attend the meeting.

IV. Activities and implementation

- i. The scope of this policy will extend to activities as stated under Schedule VII of the Companies Act, 2013, as presently in force. The scope of the policy to also include all additional and allied matters, as will be notified by Ministry of Corporate Affairs or such other body, as appointed / notified by Central or State Government, from time to time for this purpose.
- ii. The Board of Directors of the Company may on recommendation of the CSR Committee, determine / approve the projects or programmes or activities (identified project or programme or activity) to be undertaken by the Company under CSR initiatives, from time to time. However, the Board shall ensure that the projects or programmes or activities undertaken are related and within the broad purview of the activities as stated under Schedule VII or any other relevant provision of the Companies Act, 2013.
- iii. The minimum eligibility criteria for any project or programme or activity and / or other incidental or ancillary matters, including but not limited to quantum of proposed expenditure, shall be finalized by the Board of Directors or any delegatee thereof, on recommendation of the CSR Committee.

- iv. The modalities of execution of CSR projects or programmes or activities and implementation thereof shall be determined by the Board of Directors or its Committee (excluding any Board Committee formed for some other specific purpose, however including but not limited to Committee of Directors) from time to time, upon recommendation of the CSR Committee.
- v. The CSR Committee shall frame rules or issue directives with regard to monitoring of the CSR projects or programmes or activities.
- vi. The CSR Committee may by resolution delegate or entrust any of the function, acts, deeds or things, etc. as may be required to be performed or complied by it, whether under Companies Act, 2013 or rules made thereunder or otherwise to any person, whether in employment of the Company or otherwise, and any such function, acts, deeds or things, etc. performed by such person pursuant to such resolution shall have effect, as if the same has been performed by the Committee itself.
- vii. The Board of Directors of the Company may on the recommendation of the CSR Committee, decide to undertake CSR projects or programmes or activities through a registered trust or a registered society or a Company or an associate Company established by Family Health Plan (TPA) Limited or otherwise (Implementing Agency). Provided that, in such case the provisions relating to Companies (Corporate Social Responsibility) Rules, 2014, are required to be complied with.
- viii. The Board of Directors may on recommendation of the CSR Committee decide to collaborate with other Companies for undertaking CSR projects or programmes or activities.
- ix. While undertaking CSR projects or programmes or activities preference shall be given to the local area or area of operation of the Company. Such area of operation for any identified project or programme or activity shall be finalized by the Board of Directors or any Committee thereof, upon recommendation of the CSR Committee.

V. Quantum of investment

- i. The Company shall spend, in every financial year, at least 2% of the average net profits of the Company made during the immediately 3 preceding financial years. Net profit in such case will have the meaning as stated under Rule 2(f) of the Companies (Corporate Social Responsibility) Rules, 2014.

VI. CSR Focus area Projects/ Programs/Activities:

- i. CSR Expenditure shall include all expenditure including corpus for projects or programmes relating to CSR activities approved by the Board on recommendation of CSR Committee. However, the same will not include expenditure on any item not in conformity or in line with the activities stated under Schedule VII of the Companies Act, 2013.

- ii. CSR projects or programmes or activities undertaken in India only shall be considered as CSR Expenditure.
- iii. Projects or programmes or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities.
- iv. Contribution of any amount directly or indirectly to any political party shall not be regarded as a CSR activity.
- v. Any expenditure incurred for building CSR capacity, whether own or that of eligible Implementing Agency shall not exceed five percent of total CSR expenditure, in one particular financial year.
- vi. Surplus arising out of CSR projects or programmes or activities shall not form part of the business profit of the Company.
- vii. If the Company fails to spend, the amount stated hereinabove, then reason for not spending shall be stated in the Directors Report.

VII. Allied Matters

- i. With regard to CSR activities, Boards Report to state such particulars as stated under Companies (Corporate Social Responsibility) Rules, 2014.
- ii. The Company shall display such particulars relating to CSR Policy and activities undertaken there under as stated under Companies (Corporate Social Responsibility) Rules, 2014.

C. CSR Management Committee

Corporate Social Responsibility Committee is constituted on 05/12/2014 with the following Directors

Mr. Krishna Swami Padmanabhan - Chairman
Mr. Balamukunda Rao Premkumar - Member
Mr. A P V Reddy - Member

The role/responsibilities of the CSR Executive Committee include:

1. Review the proposals for CSR projects/programs/activities received from various locations.

D. Financial Resources – Annual CSR Budget

In alignment with The Companies Act, 2013 the Company shall earmark as CSR Budget, at least 2% of the average of net profits of the company made during the three immediately preceding financial years.

E. CSR Activities/Donations

The committee after considering the applicable provisions of the companies Act, 2013 and the Corporate Social Responsibility (CSR) Policy of the company, has opined that for the financial year 2014-2015, the company shall donate an amount of Rs.12,00,000, approximately 2% of the average net profits of the last 3 years of the company for the financial year 2014-2015 to **SAVING A CHILD'S HEART INITIATIVE (SACHI)**, a registered charitable trust in India, having its registered office at Apollo Health City Campus, Jubilee Hills, Hyderabad, Telangana working exclusively for children with heart diseases. Established in 2003, the foundation operates in association with Apollo Children's Heart Hospital, India, and has already touched the lives of over 100,000 children with various heart conditions. Working in tandem with highly skilled specialists, SACHI's support services include diagnostics, interventional procedures as well as rare and complicated open heart and closed heart surgeries. The said activity of SACHI covered under Schedule VII of the Companies Act, 2013.

Sd/-
Chairman
Mr. Krishna Swami Padmanabhan