

# **CORPORATE SOCIAL RESPONSIBILITY**

CSR – POLICY

Revised and adopted on September 13, 2023

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This Corporate Social Responsibility Policy (“the CSR Policy”) has been framed by Fernandez Foundation (“the Company”) in accordance with the Section 135, Schedule VII of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014.

Corporate Social Responsibility Committee shall be constituted by the Board of Directors as per Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

## **1. Functions of CSR Committee**

The Committee shall exercise powers and perform the functions assigned to it by the Board of Directors of the Company pursuant to Section 135 of the Companies Act, 2013 and CSR Rules notified with regard thereto.

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy, which shall indicate the activities to be undertaken by the Company in areas or subjects, specified in Schedule VII.
- Recommend the amount of expenditure to be incurred on the activities mentioned above.
- Monitor the Corporate Social Responsibility Policy of the Company from time to time, ensuring that it is updated for any change or enhancement in scope and the same is recommended to the Board for approval.
- Define the modalities and monitor the progress of the activities being undertaken under the policy.

## **2. Responsibilities of the CSR Team**

- Be the first point of contact for organising CSR activities.
- Provide guidelines and framework to be followed by the Fernandez Foundation units.
- Recommend programmes, modality of operation and monitoring mechanism.
- Ensure availability of adequate resources.
- Support the CSR Committee in ensuring full compliance of the regulation.
- Collecting and verifying requests from the community for CSR programmes.
- Assisting Fernandez Foundation and other partners in implementing the projects.
- Helping all relevant partners to get requisite permissions from the community and the government to implement the CSR activities.
- Promote employee participation in the CSR initiatives.

### 3. Constitution and Meetings of CSR Committee

CSR Committee of the Board is constituted in terms of Section 135 of the Companies Act, 2013 with three or more directors, out of which at least one director shall be an Independent Director.

The Quorum shall be two-third of its total strength or two members, whichever is higher.

The Committee shall meet at least once in a year.

### 4. CSR Activities

Pursuant to Schedule VII of the Companies Act, 2013, the Committee has approved the following activities as “CSR Activities” to be undertaken under the CSR policy of the Company. 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 Company 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.

Cause	Proposed Programme	Items from the list of activities in Schedule VII to the Companies Act, 2013
Health	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 safe drinking water available	Clause (i)
Education & Livelihood	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects	Clause (ii)

Cause	Proposed Programme	Items from the list of activities in Schedule VII to the Companies Act, 2013
Social Support	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	Clause (iii)
Environmental & Water Conservation	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	Clause (iv)
Disaster management	Disaster management, including relief, rehabilitation and reconstruction activities	Clause (xii)

## 5. CSR Expenditure

As per the provisions of Companies Act, 2013, the Board shall ensure that every financial year, the Company spends at least 2% of its average net profits from the preceding three financial years.

## 6. Modalities of Execution and Implementation

Implementation of the CSR programmes will be through Company personnel or through its registered trust / society or through external implementing agencies. The Company may also partner with credible organisations – individually or as consortium - to design, fund, implement and review projects.

## **7. Resource Allocation**

Fernandez shall allocate at least 2% of its average net profits made during the three immediate preceding financial years calculated as per Section 198 of the Companies Act, 2013, for its Annual CSR Budget in each Financial Year.

From the annual CSR budget allocation, a provision will be made towards the expenditure to be incurred on identified areas, for undertaking CSR activities on a year-on-year basis.

Allocation of the Annual Budget for CSR activities in any given year shall be as per the provisions of the Companies Act 2013 and rules made thereof as amended from time to time.

Any unspent/unutilised CSR allocation of a particular year will be carried forward to the next year i.e., the CSR budget will be non-lapsable in nature, subject to the provisions of the Companies Act, 2013.

## **8. Monitoring Strategy**

The CSR Team will monitor the implementation and progress of the approved projects through appropriate mechanisms such as site visits, review meetings and progress reports, etc. Mechanisms to track data and monitor projects will be established to ensure the transparency and efficiency of the implementation process. The projects will be evaluated against the milestones defined in the implementation plan of the project.

The Board of the Company shall satisfy itself that the CSR funds disbursed have been utilised for the purposes and in the manner approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect as per applicable rules in this regard.

## **9. Reporting**

The CSR Committee of the Board will publish an yearly report on CSR projects, using the information provided by the CSR Team, as part of the Director's report. The report will disclose information in the format as prescribed by the Section 135 of the Companies Act 2013 and the rules made thereunder. The CSR Committee shall also submit a responsibility statement to the Board that the implementation and monitoring of the CSR Policy is in compliance with the approved CSR Policy of the Company.

## 10. Allocation of CSR Funds

- **CSR expenditure and surplus**

CSR expenditure will include all expenditure, direct and indirect, incurred by Fernandez Foundation relating to implementation of approved CSR Programmes. Any surplus arising from any CSR programmes shall be used for CSR activities only and shall not form part of the business profit of the Company. Accordingly, any income arising from CSR programmes will be netted off from the CSR expenditure and such net amount will be reported as CSR expenditure.

- **Transfer of unspent CSR amount**

Until a fund is specified in Schedule VII for the purposes of subsection (5) and (6) of section 135 of the Act, the unspent CSR amount, if any, shall be transferred by the company to any fund included in schedule VII of the Act.

- **Excess CSR spending**

If Fernandez spends an amount in excess of the requirements, then the company may set off such excess amount against the requirement to spend under Section 135 (5) up to immediate succeeding three financial years, subject to the conditions that are specified under Rule 7(3) of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

## 11. 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, characterised 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.

## 12. Display of CSR Activities on its Website

The composition of CSR Committee, CSR Policy and Projects on being approved by the Board shall be displayed on the website of the Company and any modifications carried out from time to time shall also be updated on the website of the Company respectively.