

# Corporate Social Responsibility Policy



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**CORPORATE SOCIAL RESPONSIBILITY POLICY****1. BACKGROUND****➤ What is Corporate Social Responsibility (“CSR”)**

**Corporate Social Responsibility (“CSR”) is a means to balance economic, social and environmental objectives while addressing stakeholder expectations and enhancing shareholder value.**

It is a responsible way of doing business. The Concept of CSR has gained prominence from all avenues. Organizations have realized that Government alone will not be able to get success in its endeavor to uplift the downtrodden of the Society. CSR is titled to aid an organization's mission as well as serve as a guide to what the company represents for its consumers.

**➤ Legal Overview and applicability:**

The legal provisions with respect to the Corporate Social Responsibility are specified in Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Policy Rules, 2014 including any statutory modification, amendment and notification as may be issued from time to time.

The above mentioned provisions specifically provides the applicability of CSR provisions relating to constitution of CSR Committee, preparation of CSR Policy, calculation of CSR expenditure, CSR Budgeting, medium to perform the CSR activities, permitted CSR activities and CSR reporting and monitoring system in detail. Since CSR provisions are applicable on the Company, therefore it is required to comply with all such provisions as mentioned under Companies Act, 2013 read with related rules issued thereon.

**➤ About FIITJEE**

FIITJEE Limited (“FIITJEE or the Company”) was incorporated on 13<sup>th</sup> October, 1997 with below mentioned mission and vision and to prepare students in their pursuit of higher education in the field of engineering, by providing coaching classes, test preparation, conducting examinations and other ancillary services to ensure that students are prepared for the competitive examinations they aspire for in the field of engineering etc.

**Mission:**

Our mission is to create World's Best Institution that serves the society for thousands of years- may be perennially. To make India Global Leader in Education, both in Not for Profit as well as For Profit Ventures.

**Vision:**

Keeping in mind our mission, our vision is to establish a transformational leadership position in each of our projects across the globe. We will become a Comprehensive Global leader in Education by 2030.

- **FIITJEE** has remained socially responsible and has been voluntarily undertaking various corporate social responsibility initiatives even when there were no legal and statutory requirements in this regard.

In order to help the economically underprivileged to a larger level, in the year 2008, FIITJEE constituted FORTUNATE 40, which details CSR programme/initiatives of the Company. It is a program to provide World-Class training to serious students from financially weaker backgrounds to achieve their goal of success and top Ranks in IIT-JEE and other competitive exams. The program financially supports capable students studying in Class VIII (going to IX) and Class X (going to XI) whose total parental income is less than Rs.10,000/- per month. FIITJEE supports these meritorious students in their preparation for achieving their dream goal by awarding 100% scholarships for FIITJEE programs and 100% waivers on hostel charges.

In its commitment to CSR initiatives, FIITJEE has been making available religious, charitable and educational assistance to economically disadvantaged, poor and socially weaker sections of the society.

In the context of the above, FIITJEE would like to communicate its position as a member of the community and establish for both internal and external stakeholders, its philosophy, guiding principles and areas of focus that it would as an organization seek to promote in the arena of CSR.

This Policy is in keeping in view the current maturity of the organization and is expected to evolve with the growth of the organization, dynamic needs of society and the community in which the Company operates.

This policy is a forward-looking, which establishes the parameters and foundation upon which the Corporate Social Responsibility initiatives would be built:

- a) under the leadership and direction of the Company's Board
- b) with active participation of its senior leadership and all employees and
- c) in partnership under a spirit of "togetherness" with any such partner who shares a common vision.

The Company believes in sustainable development, growing business in a socially and environmentally responsible way, while meeting the legitimate interests of various stakeholders.

## **2. OBJECTIVE**

FIITJEE's corporate social responsibility aims at being linked to sustainable development, economic, social and environmental requirements of society as a whole and of future generations.

We recognize that with a greater global presence comes even greater responsibility to operate in an environmentally and socially responsible way. It provides a shared vision and common focus for our corporate responsibility efforts through four pillars:

- Education and skill development
- Environmental Management and Sustainability
- Rural development and welfare of society
- Healthcare and Wellness

## **3. DEFINITIONS**

Definitions of some of the key terms used in this policy are given below:

- a) 'Act' means Companies Act, 2013, as amended from time to time.
- b) 'Board' means Board of Directors of the Company.
- c) 'Corporate Social Responsibility' or 'CSR' means and includes but is not limited to –
  - (i) projects or programs relating to activities specified in Schedule VII to the Act; or
  - (ii) projects or programs relating to activities undertaken by the Board in pursuance of recommendations of the CSR Committee as per the CSR Policy of the Company subject to the condition that the CSR Policy will cover subjects enumerated in Schedule VII of the Act.
- d) 'CSR Committee' means CSR Committee of the Board.
- f) 'CSR Activities' means projects/programs/activities to be undertaken by the Company in India, pursuant to Section 135 and Schedule VII of the Act read with the Rules as amended from time to time.
- g) 'Policy' means this CSR policy of the Company which relates to the activities to be undertaken by the Company pursuant to Section 135 and Schedule VII to the Act and matters incidental thereto including the expenditure thereon.
- h) 'Net Profit' means Net Profit as defined in the Rules.

- i) 'Rules' mean the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.
- j) 'Stakeholder' means and includes:
- local community;
  - employees/ faculties;
  - shareholders;
  - suppliers/vendors/consultants;
  - contractors;
  - service providers;
  - Any other person including workers involved in allied activities of the Company or category of persons, as may be prescribed in the Act and/or by the CSR Committee including society at large.

**Words and expressions not defined in this Policy shall have the same meaning as contained in the Act read with the Rules.**

#### **4) CSR ALLOCATION**

The CSR Allocation for a financial year shall include – (a) at least 2% of the average Net Profits of the Company for the last three financial years; (b) any income arising there from; (c) surplus arising out of CSR Activities; and (d) any contribution specifically received for CSR Activities. Further, it is clarified that any surplus arising out of CSR Activities shall not form part of the business profits.

#### **5) CSR BUDGET**

The overall amount to be committed towards CSR will be approved by the Board upon the recommendation of the CSR Committee.

#### **6) CSR PROGRAMMES AREAS**

The Company will focus primarily (including but not limited to) on the following Areas :

- a) Promotion of education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- b) Promotion of 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;

- c) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- d) 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;
- e) 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;
- f) Measures for the benefit of armed forces veterans, war windows and their dependents;
- g) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- h) 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 Schedules Castes, the Scheduled Tribes, other backward classes, minorities and women;
- i) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- j) Rural development projects.
- k) Slum area development.
- l) Any other initiative/s which may not fall under the purview of the above programme areas may also be taken up by the Company, subject to recommendation of the CSR Committee and approval by the Board members in accordance with Rules and Schedule VII of the act as amended from time to time.
- m) Alternatively the CSR Committee may choose to focus on any one or more of the above programme areas for its efforts dedicated towards CSR.

## **7.) CSR IMPLEMENTATION PROCESS**

- a) The CSR projects will be implemented with clear objectives, plan, targets and robust monitoring and evaluation mechanisms.
- b) The Company's ongoing CSR projects will be aligned to the Policy. This Policy builds on the learnings and good practices of the CSR projects initiated by the Company.

- c) The mode of implementation will include a combination of direct implementation and/or implementation through trust/societies set up by the Company and various organizations such as Foundations, Registered Societies, Trusts, not for profit organizations etc.
- d) The Company may use services of expert agencies, consultancy firms etc. wherever required for carrying out baseline surveys, guidance on project design and implementation, third-party monitoring and evaluations, impact assessment surveys etc.

## **8.) ROLES & RESPONSIBILITIES OF BOARD & COMMITTEE ON CSR**

Operational responsibility to the Corporate Social Responsibility Programs, implementation of the scheduled programs and annual operating plans resides with the Company's Senior Management and lead by the CSR Committee. Following have crucial roles in implementing and monitoring CSR policy:

### **A. Board of FIITJEE**

- Constitution of the CSR Committee;
- Approval of the CSR Policy considering recommendations of CSR Committee; and
- Ensure that the activities as included in CSR Policy are undertaken by the Company
- Support the CSR Policy implementation by giving it visibility under adequate, timely and impactful communication.

### **B. CSR Committee**

- Formulation and recommendation to the Board, of a Corporate Social Responsibility Policy;
- Recommendation of CSR activities / programs to be undertaken by the Company under the Policy; reviewing and approving the annual budget thereon;
- Monitoring the execution and adherence to the CSR Policy and annual plans on a continues basis;
- Institutionalizing a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company.

## **9.) CSR MONITORING AND REPORTING ACTIVITIES**

Corporate social responsibility activities will be monitored by the CSR Committee. The Committee to ensure that each social project has:

- Clear objectives developed out of the societal needs that are determined through baseline studies and research;
- Clear targets, timelines and measureable parameters wherever possible;



- A progress monitoring and reporting framework that is aligned with the requirements of the section 135 of the Companies Act and the CSR Rules.

The CSR Committee will evaluate, review, approve and monitor CSR projects on a Cost Benefit and Impact Analysis. The proposal would include details to the amount of financial involvement, indirect costs impact, detailed project report and plan.

The Company will establish an accounting system to ensure project wise accounting of CSR spend.

#### **10.) DISCLOSURES:**

Apart from the reporting requirement as mentioned hereinabove in the Policy, following regulatory disclosure requirements also need to be complied in relation to CSR activities of the Company:

- Composition of the CSR Committee shall be disclosed in the Board Report;
- The Board Report shall include an annual report on CSR activities in prescribed format (by MCA) containing specified particulars i.e. Brief Outline of CSR Policy, its content the Average Net Profit for the last 3 FYs and the prescribed CSR Expenditures etc.
- If the company fails to spend the prescribed amount, the Board shall, in its report specify the reasons for not spending the amount;
- The content of Corporate Social Responsibility (CSR) Policy shall be displayed on the company's website, if any

#### **11.) CHANGES AND MODIFICATIONS :**

Any changes and modifications in the policy to be at the discretion of the CSR Committee only.

**Date: 26.12.2016**

**Place: New Delhi**