

# CORPORATE SOCIAL RESPONSIBILITY POLICY

## 1. Introduction and Objectives

FNFI Business Process Outsourcing Services India Private Limited ('FNFI' or 'the Company') believes in making a positive difference to society and contribute its share towards the social cause of betterment of society. The Company's focus has always been to contribute to the sustainable development of the society and environment, and to make our planet a better place for future generations.

Pursuant to Section 135 of the Companies Act, 2013, and Companies (Corporate Social Responsibility Policy) Rules, 2014 every Company having net worth of Rs. 500 crore or more or turnover of Rs. 1,000 crore or more or net profit of Rs. 5 crore or more shall constitute Corporate Social Responsibility Committee ('CSR Committee') and the CSR Committee shall formulate and recommend Policy.

FNFI CSR Policy intends to focus on addressing critical social, environmental and economic needs of the marginalized/underprivileged sections of the society.

This policy will be applicable to the Company effective 11 June 2015.

## 2. Focus Areas

In accordance with the requirements under the Companies Act, 2013, FNFI CSR activities will focus on:

- i. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- iii. 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;
- iv. 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;
- v. 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;
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents;
- vii. Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports;
- viii. 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;
- ix. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- x. Rural development projects;
- xi. Slum area development.

### 3. Composition:

The CSR Committee shall consist of the following directors:

| Sl. No | Name                    | Designated as |
|--------|-------------------------|---------------|
| 1      | Michael Andrew Giddings | Chairman      |
| 2      | Laimayum Gautami        | Member        |
| 3      | Michael Louis Gravelle  | Member        |

An internal working group will closely work with the CSR team in its smooth functioning.

### 4. Meetings:

The Committee will meet periodically as necessary to act upon any matter within its jurisdiction. All Committee members are expected to attend each meeting, in person or via tele- or video-conference. A majority of the Committee will comprise a quorum when all Committee members are unable to attend a meeting. The Committee may request that other Board members, or officers or, other employees of the company, or any other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide pertinent information. The CSR Committee shall meet as frequently as it determines necessary but at least twice annually. Minutes will be kept of each meeting of the Committee.

### 5. Terms of Reference:

1. The Committee shall formulate and recommend to the Board, a 'Corporate Social Responsibility Policy' ('CSR Policy') which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013.
2. The Committee shall recommend the amount of expenditure to be incurred on the activities referred in the CSR Policy.
3. The Committee shall monitor the CSR Policy of the company from time to time.
4. The Committee will be responsible for reviewing and overseeing CSR Policy and political and environmental trends and public policy issues that affect or could affect the company's business activities, performance, public image and responsibilities under Indian Law.
5. The Committee will assist the Board in determining how the company can anticipate and adjust to corporate social responsibility and public policy trends in order to make more effectively achieve its goals.
6. The Committee will provide overview of and makes recommendations to the Board regarding the company's response to shareholder proposals that relate to corporate social responsibility issues.
7. The Committee will offer advice and counsel to management regarding the effectiveness of the company's corporate social responsibility programs and corporate citizenship.
8. The Committee will also undertake such additional activities as the Committee may from time to time determine or as may otherwise be required by law, the company's articles of association, or directive of the Board.

9. The Committee will make regular reports to the Board and will recommend any proposed actions to the Board for approval as necessary. The Committee will review and reassess the adequacy of these terms of reference at least annually and recommend any proposed changes to the Board for approval.
10. The Committee will at least annually evaluate its own performance to determine whether it is functioning effectively.

## **6. Funding & Allocation**

For achieving the CSR objectives through implementation of meaningful and sustainable CSR Projects, the CSR Committee will allocate for its Annual CSR Budget, 2% of the average net profits of the Company made during the three immediately preceding financial years, calculated in accordance with the relevant Sections of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Any unspent/ unutilized CSR Fund of a particular year, shall be carried forward to the following year, i.e., the CSR budget will be non- lapsable in nature. However, the reason for not being able to spend shall be disclosed.

## **7. Rules Governing the CSR Policy:**

In view of the provisions of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, the Company is obliged to observe the below-mentioned provisions with respect to CSR Policy:

- i. As per the CSR Policy, the Company shall undertake such CSR activities as projects or programmes (either new or ongoing) not comprising the activities undertaken in pursuance of it's normal course of business.
- ii. The Company shall undertake its CSR activities only within India.
- iii. The Board of the Company may undertake its CSR activities through registered trust or registered society, or a company established by the Company or it's holding or subsidiary or associate company under Section 8 of the Act or otherwise:

Provided that-

- (i) if such trust, society or company is not established by the company or its holding or subsidiary or associate company, it shall have an established track record of three years in undertaking similar programs or projects;
- (ii) the company has specified the project or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism.

- iv. The Company shall ensure that necessary details of its CSR initiatives are mentioned in the Board Report of the relevant financial year and on the Company's website in the prescribed format. (As per **Annexure A**)
- v. The Company shall not consider the CSR activities as CSR projects or programmes or activities that benefit only the employees of the Company and their families. This may also encourage its employees to actively and voluntarily participate in the CSR initiatives undertaken by the Company.
- vi. Only the CSR projects or programmes or activities undertaken by the Company in India shall amount to CSR expenditure.
- vii. In no case, the surplus arising out of the CSR activities shall form a part of "business profits" of the Company.
- viii. Contribution made by the Company of any amount directly or indirectly to any political party shall not be considered as "CSR activity".
- ix. The Company may build CSR capacities of its own personnel as well as those of their Implementing agencies through Institutions with established records of at least three financial years, however, such expenditure shall not exceed five percent of total CSR expenditure of the Company in one financial year.
- x. CSR Reporting: The Board's report pertaining to the relevant financial year commencing on or after 1st day of April 2014, shall include an annual report on CSR containing particulars specified in **Annexure A**.
- xi. The Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR Committees of the respective companies are in a position to report separately on such projects or programmes.

#### **8. Amendment in CSR Policy:**

Any modification/amendment in the CSR Policy shall be carried out by the "CSR Committee" with the prior approval of the Board of Directors of the Company.

This Policy will be communicated to all operational employees and other concerned persons of the Company and shall be placed on the website of the Company at [www.fnfindia.in](http://www.fnfindia.in).

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**ANNEXURE A**

**FORMAT FOR THE ANNUAL REPORT ON CSR INITIATIVES TO BE INCLUDED IN THE BOARD'S REPORT:**

1. A brief outline of the Company's CSR Policy including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmes:
2. The composition of the CSR Committee:
3. Average Net Profit of the Company for last three financial years:
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above):
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:

| (1)    | (2)                              | (3)                                    | (4)  | (5)  | (6)   | (7)   | (8)  |
|--------|----------------------------------|--|--|--|---|---|--|
| Sl. No | CSR project/ Activity identified | Sector in which the Project is covered | Projects/ Programmes<br>1.Local area/others<br>2.specify the state and District where projects or programmes were undertaken | Amount outlay (budget):<br>Project or Programme wise | Amount spent on the project/ programme<br>Sub-heads:<br>1.Direct expenditure on projects or programmes<br>2.Overheads | Cumulative Expenditure upto to the reporting period | Amount spent: Direct or through implementing agency* |
| 1      |                                  |  |  |  |   |   |  |
| 2      |                                  |  |  |  |   |   |  |
| 3      |                                  |  |  |  |   |   |  |
|        | <b>TOTAL</b>                     |  |  |  |   |   |  |

\*Give details of Implementing Agency

6. In case, the Company has failed to spend the two percent of the average net profit of the last 3 financial years or any part thereof, the Company shall provide the reasons for not spending the amount in it's Board report.
7. A Responsibility statement of the CSR Committee that the implementation and monitoring of the CSR Policy is, in compliance with the CSR objectives and Policy of the Company.