



## CORPORATE SOCIAL RESPONSIBILITY POLICY

<b>Classification:</b>	<b>Guidelines</b>	<b>Document No.</b>	<b>POL- CSR-001</b>	
<b>Issued by:</b>	<b>CSR</b>	<b>Effective Date:</b>	<b>20<sup>th</sup> December 2021</b>	
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### CORPORATE SOCIAL RESPONSIBILITY POLICY

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Document Review and Approval		
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Manager-CSR	Manager-CSR	Joint President/ President



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### 1. Objective

The objective of the policy is to define FME'S Corporate Social Responsibility (CSR) approach in alignment with Section 135 of the Companies Act, 2013 read with applicable rules. FME endeavors to reach out to the underprivileged and underserved communities to address fundamental challenges of our society.

### 2. CSR Focus Areas

In accordance with Schedule VII of the Companies Act, 2013 and amendments thereto the Company will assess the needs of local community and in order to improve the well-being of the community. It shall focus primarily on the following areas:

**HUNGER, POVERTY, MALNUTRITION AND HEALTH:** Projects to eradicate extreme hunger, poverty and malnutrition and also provide healthcare and sanitation facilities to the local community.

**EDUCATION:** Projects to promote special education and employment, enhancing vocational skills especially among children, women, elderly and differently abled and also projects of livelihood enhancement.

**RURAL DEVELOPMENT PROJECTS:** Projects to upgrade infrastructure and strengthen the rural areas by improving accessibility, housing, safe drinking water, sanitation, creating sustainable villages.

**GENDER EQUALITY AND EMPOWERMENT OF WOMEN:** Adopting measures and creating awareness for reducing inequalities faced by socially and economically backward groups.

**ANY ACTIVITY** which falls within the purview of Schedule VII of the Companies Act, 2013, for the time being in force, as amended from time to time.

### 3. CSR Budget

The Board of Company shall ensure that in each financial year, the Company spends at least 2% of the average net profit made during the immediate three preceding financial years in compliance with requirements of Section 135 of the Companies Act, 2013. If the Company qualifies for exemption due to net loss in the preceding three-year period, or by being below the threshold norms, namely INR 5 Crore net profit or INR 1000 Crore revenue or INR 500 Crore net worth, a reasonable amount, as budgeted, to be spent on CSR.

#### 3.1 Accounting treatment of CSR Budget

The Company will ensure project wise accounting for CSR spend in the books of accounts of the Company. Further in compliance with Section 135 of the Companies Act, 2013 and amendments thereto, any amount remaining unspent under clause (3), pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by the Company in pursuance of this Policy, shall be transferred by the Company within a period of thirty days from the end of the financial year to a special account to be opened by the Company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account.



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Such amount shall be spent by the Company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the Company shall transfer the same to a fund specified in Schedule VII of the Companies Act, 2013, within a period of thirty days from the date of completion of the third financial year. Therefore, accounting treatment of CSR expenditure shall be done on accrual basis.

#### 4. Composition of CSR committee

4.1 The composition of the CSR Committee of the Board is as under.

S. No.	Name	Designation/Category	CSR Committee
1	Mr. Neeraj Sharma	Whole Time Director	Chairman
2	Mr. Masahiro Kuroki	Director	Member

The Board shall have the power to make any change(s) in the constitution of the Committee.

#### 5. Responsibilities of the Committee

The responsibilities of the CSR Committee include:

- Formulating and recommending to the Board of Directors the CSR Policy, indicating activities to be undertaken and changes therein.
- Recommending the amount for the expenditure of CSR activities, and
- Overall monitoring of CSR activities from time to time.

#### 6. CSR Coordinating Team

##### i. Composition of CSR Coordinating Team:

The CSR committee shall appoint a CSR Coordinating team, which shall consist of members one each from CSR, HR and Finance department.

##### ii. Responsibility of CSR Coordinating Team:

- Planning and implementing project designing in compliance with the section 135 of the Companies Act and the CSR rules.
- Plan annual budgets for CSR projects and make a proposal to the CSR Committee.
- Ensure effective implementation of CSR projects.
- Report to the CSR Committee the progress on CSR projects and status of CSR expenditure half yearly.
- Documentation and reporting of all CSR activities of the Company in pursuit of the Companies Act, 2013 and the CSR Rules.



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### 7. Monitoring and Reporting Framework

- i. The Company will institute a well-defined monitoring and evaluation mechanism to ensure that each social project is aligned with the requirements of the section 135 of the Companies Act, 2013 and the CSR Rules.

The CSR Coordinating Team will monitor progress on CSR projects and CSR spend and report to the top management quarterly and the CSR Committee half yearly.

The CSR progress monitoring authorities and the frequency of review is given below.

Sr. No.	CSR Progress Review and Monitoring Authority	Frequency of review
1	Board of Directors	Yearly
2	CSR Committee	Half Yearly
3	CSR Coordinating Team	Quarterly

ii. **Budget Monitoring**

Refer to sub clause 3 of this policy.

iii. **Reporting Framework**

Reporting will constitute an integral part of our CSR initiatives, as we at FME, remain committed to being transparent and accountable to our stakeholders.

### 8. Governance

The CSR Policy is governed by the Board of Directors. In terms of the Companies Act, 2013 the Board of Directors have constituted the Corporate Social Responsibility Committee ('CSR Committee') to formulate and recommend to the Board of Directors the CSR Policy indicating activities to be undertaken as specified in Schedule VII and the amount of expenditure for the CSR activities. The CSR Committee monitors the CSR Policy of the Company from time to time.

### 9. Amendments to the Policy

The Board of Directors on its own and/or as per the recommendations of the CSR committee can amend this policy, as and when deemed fit. Any or all provisions of this CSR policy are subject to the applicable provisions of the Companies Act, 2013 and any subsequent amendments thereof from time to time.

### 10. Compliance Statement

The contents of this policy shall be appropriately disclosed in the Board report in accordance with the requirements of the Companies Act, 2013, and rules framed thereunder.



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In compliance with the requirements of the Companies Act, 2013 it is confirmed that –

1. A copy of this policy will be placed on the Company's website / internal portal, and
2. Any surplus arising out of the CSR projects, programs or activities shall not form part of the business profit of the Company.

### 11. Revision History

DCN NO.	EFFECTIVE DATE	REV. NO.	DETAILS OF CHANGE	Prepared by	Verified by	Approved by
POL-SSLG-001	13/09/2019	00	Creation of Corporate Social Responsibility Policy	Dy. Manager-Company Secretary	Dy. Manager-Company Secretary	Jt. President/President
POL-CSR-001	21/12/2020	01	Enhancement of coverage as per Schedule VII of Companies Act, 2013 and Reconstitution of committees under the policy	Dy. Manager-Company Secretary	Dy. Manager-Company Secretary	Jt. President/President
POL-CSR-001	20/12/2021	02	Change in composition of CSR Coordinating Committee	Manager-CSR	Manager-CSR	Jt. President/President