

## **FACT – CSR POLICY**

### **A. Background**

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 (CSR) 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. Every Company should have a policy on CSR.

### **B. CSR Policy**

#### **I. CSR OBJECTIVES**

1. FACT will lay its focus primarily on CSR activities on local communities in and around areas of Company's operations. FACT is committed to allocate at least 70% of the CSR Budget for these local communities.
2. FACT will implement CSR activities to empower weaker, less privileged and marginalized sections of the society to create Social Capital.
3. FACT will give special attention for the development of SC/ST communities.

#### **II. ORGANISATIONAL STRUCTURE**

##### **a. CSR Committee**

FACT will have a Board Level Sub-committee hereinafter referred to as CSR Committee consisting of three or more Directors out of which at least one shall be an independent director.

The role/responsibilities of the CSR Committee include:

1. Formulate and recommend to the Board, the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.
2. Recommend the amount of budgeted expenditure to be incurred on the activities referred to in Clause (1) above.

3. Monitor the Corporate Social Responsibility Policy of the company from time to time.
4. Institute a transparent monitoring mechanism for implementation of the CSR projects/programmes/activities.
5. Monitor implementation of CSR activities on quarterly basis.
6. Approve programs/projects/activities with monetary value of Rs. 10 lakh and above in each case.

**b. CSR Council:**

Members of the Council:

Chairman - GM(PC)

Members - GM(Mktg), GM(HR&Admn), DGM(FIN)

The role/responsibilities of the CSR Council include:

1. Suggest CSR activities which align with Corporate Vision and the CSR objectives of the Company
2. Review quarterly the CSR activities and expenditure vs budget
3. Recommend CSR activity to CSR Committee

**III. CSR FOCUS AREA PROJECTS/PROGRAMS/ACTIVITIES:**

- a. FACT's CSR Focus areas are inspired by national developmental policies and international commitments of nation for development of children, women and weaker sections. FACT's CSR focus areas are based on inspiration from legislations on Child Rights, Child Development and Education, National Health Policy and National Health Missions, National Skill Development Mission, and policies on community/rural development.

All projects/programs/activities will be in the area of :

1. Child care
  2. Education
  3. Skill Development
  4. Sports
  5. Environment & Community Development
  6. Development of SC/ST communities
  7. Health Care
- b. Any projects/programmes/activities in areas other than the above will be taken with the approval of CSR Committee.

Not less than 70% of the budget will be spent for the community in and around FACT locations.

- c. CSR projects / programs / activities will be implemented either its own or through implementing partners/specialized agencies or other PSUs. The minimum eligibility criteria of an implementing partner are as follows:
  1. It must be a registered society, trust, company or any specialized agency having minimum three years of experience post registration in handling activities of similar nature.
  2. Experience of working with any Government Body or Public Sector Enterprise will be preferred.

However, the selection authority can request any other qualification on a mandatory basis from the applicants while selecting the implementing partners.

#### **IV. FINANCIAL RESOURCES**

##### **a. 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.

##### **b. Association with Other Entities**

FACT shall associate/collaborate with other PSUs for jointly undertaking CSR activities.

#### **V. MONITORING**

FACT shall undertake a monitoring process of CSR activities as follows:

1. CSR Committee on half yearly basis
2. CSR Council on quarterly basis.

CSR Committee will meet at least twice in a year.

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