

## CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

### Abbreviations:

1. CSR = Corporate Social Responsibilities
3. DOP = Delegation of Powers

### I. PREAMBLE

As a "corporate citizen of planet Earth", The Company promotes CSR oriented management placing the utmost importance on acting with integrity in all business activities. The guiding principles of CSR are at the heart of our all business management practices.

The Company (herein after referred to as Company) is committed to advocate the highest standards of Corporate Social Responsibility (CSR). We are committed towards improving the quality of life of the communities that we serve through awareness and value creation.

### II. INTRODUCTION

Fortune is engaged in the business of buying, selling, import and export of all kinds of computer peripherals, floppy disc drive, addon cards and other surveillance products based systems, their parts, and related equipments and also in the business of export, import, manufacturing, trading all kinds of medical and surgical instruments, equipments, apparatuses, machineries and related products.

The company's policy on CSR is broadly framed taking into account the following measures:

- a. Contribution to the society at large by way of social and cultural development, imparting education, training and social awareness, especially with regards to the economically backward classes.
- b. Protection and safeguarding of the environment and maintaining an ecological balance.

### III. OBJECTIVE

The main objective of CSR policy is to lay down guidelines for the company to make CSR a key business process for sustainable development for the society. It aims at supplementing the role of the government in actively contributing to the social and economic development of the communities in which we operate. The Company will act as a good Corporate Citizen.

### IV. CSR Activities

With this vision in mind, the Company proposes to carry out one or more of the following Corporate Social Responsibility activities ("CSR Activities" / "CSR Projects"):

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- 1 Promoting education, including special education and employment enhancing vocational skills especially among children, women and the differently abled including livelihood enhancement projects;
- 2 Promoting gender equality, empowering women, setting up home for orphans, setting up old age home, day care centers and such other facilities for senior citizen, reducing inequalities faced by socially and economically backward groups.
- 3 Ensuring environment sustainability, ecological balance, animal welfare, agro forestry, 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.
- 4 Training to promote rural sports, nationally recognized sports, Paralympic sports as well as Olympic sports;
- 5 Contributions to the Prime Minister's National Relief Fund or any other fund set up by the Central Government as part of a project approved by CSRC for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- 6 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 art and handicrafts;
- 7 Rural development projects;
- 8 Slum area developments;
- 9 Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);
- 10 Eradicating hunger, poverty and malnutrition (promoting health including preventive health care) and sanitation (including contribution to the Swach Bharat Kosh set up by Central Government and making available safe drinking water.
- 11 Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- 12 Disaster management, including relief, rehabilitation and reconstruction activities.
- 13 Any other area as may be prescribed by Schedule VII amended from time to time.

#### V. Modalities of Execution of CSR Activities

Our CSR Activities will be carried out in one or more of following modalities:

- a) Company directly;
- b) Company through a trust/ society/Section 8 company in India established by SISCP in accordance with the Corporate Social Responsibility Rules, 2013 (the "Rules")



Companies Act, 2013 (the “Act”)

- c) Company through a trust/society /Section 8 company which has a proven track record of three (3) years.
- d) Company in collaboration with other like-minded companies either directly or through trust/society /Section 8 company operating in India;

The entities other than the Company as specified above in b, c, and d shall be hereinafter referred to as “Partner Organization”

The Company believes in being employee-driven in its approach and will encourage its employees to actively engage in CSR Activities voluntarily as part of their individual contribution to the community (“Volunteers”).

## VI. CSR Committee & Constitution

Pursuant to the provisions of Section 135 of the Companies Act 2013, the Board shall constitute the Corporate Social Responsibility (CSR) Committee. The members of CSR committee shall be appointed by the Board of the Company which must consist of at least three or more Directors.

**Responsibility of The Board:** The Board is responsible for:

- a) Approving the CSR policy subject to necessary changes/modifications as the Board may deem fit.
- b) Ensuring that the activities included in CSR policy are undertaken by the Company.
- c) Selection of CSR Projects recommended by CSR committee to be undertaken by Fortune Marketing under the Policy as per the company’s philosophy and in alignment with Act and Rules framed thereunder as amended from time to time
- d) Ensuring that in each financial year the Company spends at-least 2% of average net profit before tax made during three immediately preceding financial years in accordance to Section 135 of The Company Act 2013. If company fails to spend such amount, The Board shall specify the reason for not spending the amount in its report under clause (o) of sub-section (3) of section 134.
- e) Disclose annual CSR Report and policy on the Company website and any other acts, deeds, and things as may be required under law from time to time.
- f) The Board may alter the annual action plan at any time during the Financial Year in accordance with the recommendations of its CSR Committee based on the reasonable justification
- g) To ensure that the administrative overheads are not more than 5% of the total CSR Expenditure.
- h) To get certification from the Chief Financial Officer or person responsible for financial management that the funds so disbursed have been utilized for the purposes and in the manner as approved.
- i) Approve transfer of unspent CSR Amount in accordance with the law. The Finance Team shall prepare the statement of spent and unspent CSR amounts and shall assist and facilitate for transfer of the same.

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- j) To identify and approve a CSR project as a multi-year/ongoing project and ensure its implementation as per approved timelines, year wise allocation and modify the same, as required

**Responsibilities of CSR Committee:** CSR Committee would be responsible for:

- a) Formulating and recommending CSR Policy, CSR Projects and Annual Action Plan to the Board which shall enlist activities to be undertaken inline with Section 135 and Schedule VII of The Companies Act 2013 for approval.
- b) Recommendation of CSR Projects to be undertaken by Fortune Marketing under the Policy as per the company's philosophy and in alignment with Act and Rules framed thereunder as amended from time to time.
- c) Prepare and recommend to the Board an annual action plan in line with the CSR policy which shall include focus areas for the year, the list of projects to be undertaken, manner of execution, fund utilization, implementation schedules, monitoring and reporting mechanism etc
- d) To carry out external and independent assessment to review quality of process, project measures and impact at different stages of implementation of the CSR Projects, as it may deem fit.
- e) The CSR Committee shall place before the Board the annual report on CSR Projects of the Company as per the Act.
- f) Recommending CSR budget to the Board that ought to be undertaken by the Company.
- g) Spend the allocated CSR budget on CSR activities once it is approved by the Board in accordance with The Companies Act 2013 and Rules.
- h) Create transparent monitoring mechanism for implementation of CSR initiatives in India.
- i) Continuously review the CSR policy and recommend modifications, if any, to the Board.

Submit the reports to the Board in respect of the CSR activities undertaken by the Company.

## VII. MONITORING

- a. All CSR Activities will be selected and implemented based on the 4 step process of:
- Identification
  - Planning
  - Execution
  - Monitoring

If the Company decides the planning and/or implementation of CSR Activities in any financial year with collaboration of Partner Organizations as specified in aforesaid Section 3, then the Company will select its Partner Organizations in accordance with the guidelines as given in Annexure A to this policy. The planning and execution of the CSR Activities will be done in a time bound manner.

The following administrative mechanism for implementation of CSR Activities has been designed:

- (a) Chief Financial Officer (CFO) will also play the role of a CSR head ("CSR Head") to spearhead the CSR Activities of the Company and will report to the CSRC
- (b) The CSR Head will select the appropriate organizations/entities as specified in Section 135



- accordance with criteria as stated in Annexure A;
- (c) Sufficient manpower and other resources will be made available to the CSR Head for carrying out the CSR Activities;
  - (d) CSR Head will provide reports in the statutory format as required under the Act and the Rules and will also provide quarterly reports to the CSRC on the actual spend against the budgeted spend.
  - (e) In addition the CSR Head will also be responsible for the following:
    - (i) To monitor the implementation of CSR Activities on a regular basis;
    - (ii) To prescribe/provide timelines for execution of CSR Activities;
    - (iii) To examine that CSR Activities are in line with the CSR policy laid down by the Company;
    - (iv) Submitting periodic reports to the CSRC through the Permanent Invitee;

## VIII. SOURCE OF FUNDS

The fund for the CSR should be allocated based on average profits of previous 3 years subject to the provisions of the Companies Act, 2013 and the Rules made there under.

## IX. REFLECTION OF CSR ACTIVITIES

The CSR activities will be reflected in the Annual Report and Accounts of the Company under Social Overhead (CSR).

## X. 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, characterized by a willingness to build a society that works for everyone. This is the cornerstone of our CSR policy.

## XI. CONCLUSION

The above guidelines would form the framework around which the CSR activities would be undertaken.

The Board will review the Policy from time to time based on changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary.

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