



H T PAREKH FOUNDATION

CORPORATE SOCIAL RESPONSIBILITY **POLICY**

EFFECTIVE FROM APRIL 1, 2024

H T PAREKH FOUNDATION

CIN: U93000MH2012NPL237056

Regd. Office: Ramon House, H. T. Parekh Marg,
169 Backbay Reclamation, Churchgate,
Mumbai 400020

Version I – Approved by the Board of Directors of the Foundation at its meeting held on July 17, 2024



I. INTRODUCTION

The H T Parekh Foundation ('Foundation') is a not-for-profit company licensed under the erstwhile Section 25 of the Companies Act, 1956 (corresponding to Section 8 of the Companies Act, 2013). It was incorporated in October 2012 with an aim to undertake and pursue the welfare, betterment, and advancement of society as a whole, irrespective of religion, race, community, caste, gender, or social status. The Foundation works with multiple non-profit partners across development initiatives across India.

In line with Section 135 of the Companies Act, 2013 and rules framed thereunder, including amendments thereof, the Foundation has formulated and adopted this Corporate Social Responsibility Policy ('CSR Policy'). The CSR policy is approved and adopted by the Board of Directors of the Foundation at its meeting held on July 17, 2024, and shall be effective from **April 1, 2024**.

II. OBJECTIVE

This Policy shall apply to all CSR activities/programs proposed to be undertaken by the Foundation towards its own CSR obligation i.e., 2% of the average net profits of the Foundation, as made during the three immediately preceding financial years. The Foundation is a Section 8 company under the provisions of the Companies Act, 2013 (previously Section 25 company under the provisions of the Companies Act, 1956), and hence the surplus of income over expenditure if available, would denote 'net profits' during a given year, subject to section 198 of the Companies Act, 2013.

The Policy states the guiding principles for selection of CSR activities in pursuance of Schedule VII of the Companies Act, 2013, the modalities of execution and implementation and the monitoring mechanism proposed for the CSR projects/programs.

III. GUIDING PRINCIPLES FOR SELECTION OF CSR ACTIVITIES

The Foundation shall conduct its CSR activities as per the recommended activities laid down under Schedule VII of the Companies Act, 2013, with a focus on Promoting Education [VII(ii)] and ensuring Environment sustainability & Climate Change [VII(iv)]. It shall not fund any CSR activities or projects outside India.

IV. GUIDING PRINCIPLES FOR IMPLEMENTATION OF CSR ACTIVITIES

A. DIRECTLY

The Foundation may directly undertake CSR activities by executing and implementing programs as permitted under Schedule VII and approved under the Annual Action Plan by the Board of Directors.



B. THROUGH ANOTHER IMPLEMENTING AGENCY

The Foundation may also execute and implement CSR activities through any other implementing agency registered in India, having a valid CSR-I Registration Number granted by the Ministry of Corporate Affairs (MCA) and a track record of service, performance, governance and accountability, as approved under the Annual Action Plan by the Board of Directors.

Such implementing organizations with whom the Foundation may enter into partnership for executing CSR activities will be referred to as “Partner NGOs” in this Policy.

V. ROLE OF BOARD OF DIRECTORS

The Board of Directors of the Foundation will play the following role in fulfilling its CSR objectives:

- Review and approve the CSR Policy and amendments thereof;
- Approve the amount of expenditure to be incurred on the CSR activities / programs;
- Approve the Annual Action Plan each year, with modifications thereof;
- Review and approve CSR projects/programs as ongoing projects, in accordance with the CSR Rules;
- Review the impact assessment reports (when applicable) of approved CSR projects/programs;

The Board of Directors of the Foundation may constitute a CSR Committee of Directors as and when deemed necessary and as required, per the requirements of Section 135 of the Companies Act, 2013.

The CSR Committee shall do all such acts, deeds, matters and things to ensure compliance with applicable provisions relating to CSR and the terms of reference as approved by the Board of Directors of the Foundation. Upon constitution of the CSR Committee its Composition and the detailed terms of reference would be made available on the website of the Foundation at www.htparekhfoundation.com.

VI. ANNUAL ACTION PLAN



Based on the expenditure required to be incurred by the Foundation for each financial year an Annual Action Plan may be formulated by the program team and recommended by the CEO of the Foundation to the Board for approval.

An update on the status of execution & monitoring of the CSR projects/programs as per the Annual Action Plan and any modifications if needed, shall be provided to the Board of Directors during each meeting.

VII. PROCESS FOR IMPLEMENTING CSR ACTIVITIES / PROJECTS

The following procedure is required to be adhered to while undertaking/ funding CSR activities:

- A detailed Sanction note to be prepared and signed off as per the approval matrix of the Foundation;
- The Partner NGOs will submit a detailed project proposal, specifying the budget required, activity for which it is required and project outcomes;
- The CSR contribution would be for an identified project, either for a single financial year or for an ongoing project, depending on the scale and needs of the project;
- The disbursement of the contribution amount by the Foundation to the Partner NGOs shall be made in quarterly or half yearly disbursements, only after legal and compliance due diligence is completed by the program team;
- Execution of Grant letters/MoUs with all Partner NGOs, which would detail the project need, proposal, responsibilities of the partner, execution timelines, communication, and project outcomes for the Partner NGOs.

VIII. MONITORING AND EVALUATION FRAMEWORK

The Foundation shall receive the following information from all Partner NGOs:

- A final closure report capturing the cumulative update of the project at the end of the grant period;
- Externally audited funds utilization statement, capturing the actual spending by the Partner NGOs versus Budget approved;
- Operational / progress reports either quarterly or half yearly, depending on the size and scale of the project.

To ensure steady progress and proper utilization of CSR amount, the monitoring mechanism may include:

- Periodic field visits to the CSR project;
- Undertaking a third-party assessments of the CSR project (if needed);
- Regular update calls and meetings with the Partner NGO teams and management;



The CEO /COO of the Foundation or any other person responsible for financial management shall certify the utilization of funds disbursed for CSR projects in a financial year, as and when applicable.

IX. IMPACT ASSESSMENT

The Foundation may voluntarily undertake any third party, impact assessment for its CSR projects as approved by its Board of Directors.

Should an external impact assessment be required in any financial year and be applicable for the Foundation, the requirements of the applicable CSR Rules shall be complied with.

The impact assessment reports shall be placed before the Board of Directors for their noting and also uploaded on the Foundation's website. Expenditure incurred towards conducting the impact assessment will be considered as part of CSR expense, as per the limits stipulated under the CSR Rules.

X. REPORTING

The Annual Report on CSR Activities shall be approved by the Board of Directors of the Foundation and form part of the Directors' Report, in the Company's Annual Report.

The Foundation shall upload this Policy, and all other information as required on its website, www.htparekhfoundation.com.
