

# *Corporate Social Responsibility Policy Stonex India Private Limited (hereafter referred to as “STONEX” in this document)*

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## **INTRODUCTION**

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*“STONEX” conducts its business as a responsible corporate and believes in holistically addressing all issues related to People, Planet and Profit for a sustainable business and better future for all living beings and is committed to achieve inclusive growth of the marginalized and deprived sections of the society through its CSR initiatives to be implemented within the geographical boundaries of India, with preference to its Operational Areas, by supplementing government’s effort and / or by making independent efforts. “STONEX” has developed this Corporate Social Responsibility (CSR) in consonance with the CSR Policy framework enshrined in the section-135 of Companies Act, 2013 (Act) and in accordance with the Companies (CSR Policy) Rules, 2014 (Rules) notified by Ministry of Corporate Affairs. It shall apply to all CSR Projects / Programmes undertaken by “STONEX” as per liberal interpretation of activities listed in Schedule-VII of the Act, within the geographical limits of India alone, preferably towards the benefit of marginalized, disadvantaged, poor and deprived sections of the community and the environment. Any point not covered by this Policy would be interpreted in accordance with the existing Companies (CSR Policy) Rules.*

## **DEFINITIONS**

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- **‘Act’** means the Companies Act, 2013.
- **‘Board’** means the Board of Directors of the Company.
- **‘Company or Stonex’** means Stonex India Private Limited.
- **‘CSR Committee or Committee’** means the Corporate Social Responsibility Committee of the Board constituted pursuant to Section 135 of the Act.
- **‘CSR or Corporate Social Responsibility’** means and includes but is not limited to:
  - I. Projects or programs relating to activities specified in Schedule VII of the Act; or,
  - II. Projects or programs relating to activities undertaken by the Company in pursuance of the recommendations of the CSR Committee and approved by the Board as per this Policy.
- **‘Net Profit’** means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:

- I. *Any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise, and*
  - II. *Any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act.*
- *'Rules' means the Companies (Corporate Social Responsibility Policy) Rules, 2014 or as may be amended from time to time.*

*Words and expressions used in this Policy and not defined herein but defined under the Act or Rules shall have the meanings respectively assigned to them therein.*

## **OBJECTIVE**

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**"STONEX"** CSR Policy intends to:

- *Strive for economic development that positively impacts the society at large with minimal resource footprint.*
- *Embrace responsibly for the company's action and encourage a positive impact through its activities on hunger, poverty, malnutrition, environment, communities, stakeholders and the society.*

## **FOCUS AREA**

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**"STONEX"** has identified following focus areas:

- *Promotion of education, including special education and employment enhancing vocational skills;*
- *Promoting gender equality, empowering women and providing facilities for senior citizens and reducing inequalities faced by socially and economically backward groups;*
- *Reducing child mortality and improving maternal health;*
- *Eradicating hunger, poverty and malnutrition, promoting healthcare and sanitation.*
- *Combating human immunodeficiency virus, acquired immune deficiency, syndrome, malaria and other diseases;*
- *Ensuring environmental sustainability, ecological balance, animal welfare and conservation of natural resources;*
- *Social business projects;*
- *Contribution to the Prime Minister's National Relief Fund or any other fund set by the Central Government*
- *or any other matter approved by the CSR Committee.*

## **UNDERTAKING CSR ACTIVITY**

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*“STONEX” will undertake its CSR activities, approved by the CSR Committee, through the “STONEX FOUNDATION” or such other entity/ organization as may be approved by the CSR Committee.*

*Such other entity/ organization to implement CSR programs or projects under this Policy, will be either by–*

- *directly by the Company; or*
- *A Registered Trust or a Registered Society or Section 8 Company (i.e. Company registered under Section 8 of the Act), established by the Company or its holding or subsidiary or associate company; or*
- *Any other Registered Trust or Registered Society or Section 8 Company, not being established by the Company or its holding or subsidiary or associate company:*
- *Provided that it shall have an established track record of at least three years in undertaking similar programs or projects; or*
- *In collaboration with other companies:*
- *Provided that CSR Committees of respective companies are in a position to report separately on such projects or programs in accordance with the Rules; or*
- *Combination of one or more of the above.*

*In case one or more CSR projects or programs are undertaken in collaboration with any other company, clear demarcation with respect to responsibility, contribution, implementation, monitoring etc. of each collaborator shall be established.*

## **CSR FUNDS / BUDGET**

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*The Company shall allocate the following amounts towards its annual CSR funds / budget for the purpose of carrying on CSR activities –*

- *2% of the average Net Profits of the Company made during the three immediately preceding financial years, as prescribed under the Act and the Rules, or such higher percentage as may be prescribed by the Central Government from time to time. The Average Net Profit shall be calculated in accordance with the provisions of Section 198 of the Act;*
  - *Any income arising there from; and*
  - *Surplus arising out of CSR activities carried out by the Company.*
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## **SURPLUS OF CSR PROJECTS**

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*The surplus arising out of the CSR activities, projects or programs shall not form part of the business profit of the company.*

## **LOCATION OF CSR EFFORTS**

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*The CSR Committee will decide the location for activities. All CSR projects or programs under this Policy shall be undertaken in India only. The Company shall give preference to the local areas around it where it operates.*

## **COMPOSITION OF CSR COMMITTEE**

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*The CSR Committee shall consist of the following directors:*

- *Mr. Gaurav Aggarwal*
- *Mr. Saurav Agrawal*
- *Mr. Vikas Aggarwal*

## **RESPONSIBILITY OF COMMITTEE**

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*The responsibilities of the CSR Committee Includes:*

- *Formulating and recommending to the board of Directors the CSR policy and indicating activities to be undertaken,*
- *Recommending the amount of expenditure for the CSR activity, and*
- *Monitoring CSR activities and policy from time to time.*

## **GOVERNANCE**

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*The Company through a registered trust or a registered society shall undertake CSR activity as per the provision of the companies Act, 2013. Accordingly, "STONEX FOUNDATION" or such other entity will work closely with and support the Board and the CSR Committee in implementing CSR activities of the company. "STONEX FOUNDATION" or such other entity will assist the CSR committee in identifying the areas of CSR activities, programs and execution of initiatives as per defined guidelines. "STONEX FOUNDATION" or such other entity will also assist the Board and the CSR committee in preparing the progress of deployed initiatives and in making appropriate disclosures (internal/external) on a periodic basis.*

## **FUNDING, SELECTION AND MONITORING PROCESS**

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*"STONEX FOUNDATION" or such other entity will receive the requests for funding of projects throughout the year. Its panel of experts will evaluate proposal received under the foundation's focus areas and projects will be prioritized by assessing their impact. The foundation or such other*

entity will then forward its recommendations to the CSR Committee. The CSR Committee will deliberate on the proposals and approve proposals for implementation at its discretion. The Committee shall have full discretion to specify or modify the modalities of execution of CSR projects or programs and to determine implementation schedule. All CSR projects or programs under this Policy shall be undertaken in India only, with due consideration and preference to local areas of operations of the Company.

### **MONITORING PROCESS**

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- To ensure effective implementation of CSR projects/programs, the committee shall decide the implementation schedule and frame suitable project-specific monitoring mechanism while approving projects/ programs to be undertaken during a financial year.
- The Committee shall hold at least one meeting during a financial year, inter-alia, to monitor the progress of on-going CSR projects or programs and report the same to the Board
- The Committee shall on completion of every Financial Year, submit to the Board, a report on details of the CSR spent during the Financial Year and specify the reasons for the actual expenditure being less than the prescribed limits.
- The Committee may recommend changes / modifications to be carried out in the Policy to the Board from time to time.

Stonex representatives and/or **“STONEX FOUNDATION”** or such other entity will collaborate with stakeholders to monitor the status of each project and will report its findings to the CSR committee periodically.

### **GENERAL**

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- The activities undertaken by the Company in its normal course of business shall not be considered as CSR activities.
- The interpretation of the Chairman of CSR Committee on the provisions of this Policy shall be final.

### **AMENDMENT**

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The Board may upon the recommendation of CSR Committee, amend or modify this Policy, as and when necessary, subject to the provisions of the Act and the Rules.

### **Contact**

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For queries related to the CSR Policy, Please write to us at: [legal@stonexindia.net](mailto:legal@stonexindia.net)