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**RELITRADE STOCK BROKING  
PRIVATE LIMITED**

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**CORPORATE  
SOCIALRESPONSIBILITY  
POLICY (CSR POLICY)**



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# CSR POLICY

## 1. PREFACE:

- India is a country of myriad contradictions. On one hand, it has grown to be one of the largest economies in the world, and an increasingly important player in the emerging global order; on the other hand, it is still home to the largest number of people living in the absolute poverty. It may be believed that the root cause of this social unrest is an uneven distribution of the benefits of growth. Governments as well as regulators have responded to this unrest and have foster the need to undertake Corporate Social Responsibility by corporate sector by mandating the CSR activities within the purview of Companies Act, 2013.
- Corporate Social Responsibility (CSR) is a Company's sense of responsibility towards the ecological, physical and social environment in which it operates. CSR is a self-regulation business model through which corporate entities achieve balance on economic, environmental and social imperatives with their operations and development. It is a step towards organizations to become socially responsible corporate citizens and creates positive impact on the environment, communities and societies.
- Relitrade Stock Broking Private Limited is committed to improve the lives of the society in which it operates. The Company believes in "*Looking Beyond Business and Believes in Sustainable Development*" and strives to create a positive impact on the communities it serves and on the environment. The Company is committed not just to profits, but also towards leaving a deeper imprint on the society as a whole. We understand that there is a need to strike a balance between the overall objectives of achieving corporate excellence vis- à-vis the company's responsibilities towards the community.
- In order to serve the community, the Company has taken an active role through donations, charity and other philanthropic activities since past few years. It aims at achieving dual goals of the Company viz. maximizing the company's overall impact on the society and stakeholder and adding to the goodwill and reputation of the Company.

## 2. DEFINITION AND INTERPRETATION:

- a. **Administrative overheads** mean the expenses incurred by the Company for 'general management and administration' of Corporate Social Responsibility functions in the Company but shall not include the expenses directly incurred for

the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or program;

- b. **"Board"** means the Board of Directors of the Company.
- c. **"Company"** means Relitrade Stock Broking Private Limited.
- d. **"CSR Activities"** means such programs and projects as may be approved by the Board in terms of this CSR Policy.
- e. **"CSR Rules"** means the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.
- f. **"CSR Expenditure"** means the amount recommended by the Board to be incurred on the CSR Activities in India in terms of the Act and the CSR Rules as approved by the Board from time to time.
- g. **"Net Profits"** 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 (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.
- h. **"Society"** means a society registered under the Societies Registration Act, 1860 or any other applicable law in India.
- i. **"Trust"** means a public charitable trust registered under the Indian Trusts Act, 1882 or any other applicable law in India.

- Any term not defined above, shall have the meaning assigned to it under the Act or the CSR Rules

### 3. OBJECTIVE:

- The main objective of CSR policy encompasses the ideas of corporate governance, sustainable wealth creation, corporate philanthropy and advocacy for the goals of the community. Longevity and success for a company comes from living in harmony with the context, which is the community and society. Society contributes customers, employees and investors for a corporation. Therefore, society is an important stakeholder for corporations. Corporations must remember that businesses cannot succeed in societies that fail.

### 4. SCOPE OF ACTIVITIES:

- The Board shall ensure that the CSR Activities that are undertaken by the Company should be within the scope of the following activities:
  1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh

- Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
2. Promoting education, including special education and employment enhancing vocation skills especially among children, woman, elderly, and the differently abled and livelihood enhancement projects;
  3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically back ward groups;
  4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, 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;
  5. 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 arts and handicrafts;
  6. 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;
  7. Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
  8. Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for social-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
  9. Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government, and contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organization (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
  10. Rural development projects;
  11. Slum area development

12. Explanation - For the purpose of this item, the item 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under law for the time being in force;
  13. Disaster management including relief, rehabilitation and reconstruction activities; and
  14. Any other project as may be specified under Schedule VII of the Companies Act, 2013, from time to time.
- The CSR Activities will be carried out in a manner that the preference is to undertake the CSR Activities in and around the local areas where the Company operates.
  - Based on the scope of activities set out in paragraph VII above, the CSR The Board shall provide recommendations to the Board with respect to specific CSR Activities that may be undertaken by the Company.
  - The Board shall ensure that appropriate designated staff or personnel provide adequate assistance (viz. data collection, survey, quotations and costs involved etc.) to the Board to enable it to make necessary recommendations to the Board. For this purpose, the Board may also approach external consultants for necessary assistance as it may deem fit at such costs as may be approved by the Board.
  - The following details of any CSR Activities to be undertaken by the Company shall be presented to the Board along with its recommendations:
    - i. The list of CSR activities to be undertaken in areas or subjects specified in Schedule VII of the Act;
    - ii. The objectives and expected results of the CSR Activity;
    - iii. The relevant sector and the nature of the CSR Activity;
    - iv. The focus area/ location for implementation of the CSR Activity;
    - v. The modalities of utilization of funds and amount to be allocated towards the CSR Activity;
    - vi. Monitoring and reporting mechanism; and
    - vii. Such other details as it may deem necessary.
  - In case any of the CSR Activities to be undertaken are anticipated to be long term i.e. an ongoing project being of a term of 3 (three) years excluding the financial year in which it was commenced, then a detailed estimate on milestones should be submitted by the Board to the Company.
  - The above list is illustrative and not exhaustive. The Board shall be authorized to consider CSR activities not falling in this list above or any activities which is required for furtherance or supporting of any of the above including providing of infrastructure facilities, etc. The activities will be specific depending on the need

assessed for the people. All activities under CSR activities should be environment friendly and socially acceptable to the local people and society.

## 5. CSR EXPENDITURE:

- Each year budget for CSR activities shall be as decided by the Board of Directors in accordance with the Act and the Rules and the CSR Policy.
- The actual budget shall be such that the Company spends at least 2% of the average net profits of the Company made during the three immediately preceding financial years in accordance with the Act and the Rules and the CSR Policy.
- The actual budget shall be based on CSR programmes planned and approved for that year. However, the Company may contribute the amount in the long-term projects or planned, if any, and spend the amount over a period of time provided the Company has set aside the said amount in a separate bank account.
- The total budgeted amount for the year shall be distributed on projects as a percentile or fixed amount as may be decided by the Board.
- Any surplus arising out of the CSR Activities shall not form part of the business profit of the Company and may only be re-allocated to the CSR Activities being undertaken in terms of this CSR Policy and the annual action plan for the financial year in which such surplus has arisen.
- In order to count towards CSR Expenditure, CSR Activities must be undertaken in compliance with the applicable laws and shall not include the following:
  - a. activities undertaken in pursuance of normal course of business of the company and any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
  - b. contribution of any amount directly or indirectly to any political party under Section 182 of the Act;
  - c. activities benefitting employees of the company as defined in clause (k) of Section 2 of the Code on Wages, 2019 (29 of 2019);
  - d. activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services; and
  - e. activities carried out for fulfilment of any other statutory obligations under any law in force in India.
  - f. Projects/activities not falling within Schedule VII (i.e. activities mentioned under CSR initiatives and programs)

- The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.

## **6. ORGANIZATIONAL MECHANISM:**

The Company may adopt all or any of the below mechanism in order to undertake and execute Corporate Social Responsibility (CSR):

- Individual proposals have to be within the framework of the CSR Policy.
- Every CSR proposal has to be projectized. This involves defining activities, time frame, financial requirement, organizational responsibilities, outcome/ expected results and sustainable aspects. The CSR department will evaluate the proposals and give its recommendations.
- Appropriate financial powers shall be delegated to the Board for sanctioning the project and timely execution.
- The releasing of funds in phased manner shall be clearly defined in the proposal to ensure proper utilization and submission of periodical progress reports.
- Project proposals can be prepared by the Company on its own or through a consultant as may be necessary. The CSR Projects prepared by State/ District Authorities or Local Bodies or reputed NGOs within the purview of CSR Policy may also be considered for implementation with the approval of the Board. However, such projects submitted by NGOs shall be approved only after verification of their credentials, capability and preparedness to work in the specified locations.
- Company may authorize Board for identified projects to be in-charge of implementation of the projects. Moreover, if required, a separate department of CSR within the Company headed by a senior person with suitable background and reporting directly to Board shall deal with activities related to CSR under overall supervision of the Board. The Board may also hire consultants with required competency and experience from time to time in order to implement certain projects and assisting the Board.
- The Company may take up the projects directly or through any of the reputed NGOs (registered trust/registered co-operative society/ Companies registered under Section 8 of Companies Act, 2013) or any other agency/ respective district authorities as may be decided with the approval of The Board.



## 7. IMPLEMENTATION STRATEGY FOR CSR ACTIVITES:

The Company shall implement the identified CSR activities by the following means:

- The Company may itself implement the identified CSR activities presently within the scope of the thrust areas as defined in the Policy;
- The Company may also implement identified CSR activities presently through its Trust which is involved in CSR activities within the scope of the Thrust Areas as defined in the Policy;
- The Board may undertake the CSR activities through following implementing agencies:
  - (i) A Company established under Section 8 of the Act;
  - (ii) A Registered Public Trust;
  - (iii) A Registered Society

established by the Central Government or State Government either singly or along with any other Company having a track record of at least 3 years in undertaking similar activities established under an Act of Parliament or a State Legislature.

- The Company may collaborate with other companies including its Group Companies if required for undertaking the projects or programs or activities of CSR subject to the conditions.
- The Company may engage the international organizations as notified by Central Government for designing, monitoring and evaluation of the CSR projects or programs as per its CSR policy.

## 8. MONITORING STRATEGY FOR CSR ACTIVITES:

- The Board has instituted “*transparent monitoring mechanism*” for various CSR Projects / Programs / Activities undertaken by the Company;
- The Board shall review the implementation of the approved CSR Program;
- The Board will report CSR performance in its report of Board of Directors as prescribed in the Companies Act, 2013 and applicable law.
- The Board shall draw a time frame from the date of initiation. Any delay noticed while monitoring the activity, remedial measures may be taken for timely completion of the Project.

## 9. GENERAL:

- All administrative expenses including expenditure on wages & salaries, tours and travels, training & development of personnel deputed on CSR activities would be borne from CSR funds.
- The Competent Authority to take decision on sanctioning works /allocation of funds for CSR and appointing authorized agencies for implementing Projects / Activities shall be as specified in the delegation of powers approved by the Board.
- If it is observed that any CSR activity taken up for implementation is found not properly implemented, the Company at its discretion may discontinue funding the project at any time during the course of implementation.
- On advice of the Board, selected Project may be taken up for evaluation through an outside Agency.

## 10. AMENDMENT:

- The Board of the Company may, subject to compliance with applicable law, at any time alter, amend or modify the CSR Policy as it deems fit to comply with the statutory obligation of the Company to undertake the CSR Activities.

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