



Corporate Social Responsibility (CSR) Policy

In accordance with the provisions of Section 135 of Companies Act, 2013, read - with Schedule VII of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2013, the Corporate Social Responsibility (CSR) Policy of Systematix Shares and Stocks (India) Limited ("the Company") was formulated by the Board of Directors of the Company at their meeting held on May 10, 2024. This policy will be subject to the provisions of the aforesaid Act and Rules (as amended from time to time).

1. Objective:

This Policy has been formulated in compliance with Section 135 of the Companies Act, 2013 read along with the applicable rules thereto.

2. Scope:

This Policy shall apply to all CSR projects/ programmers /activities undertaken by the Company in India as per Schedule VII of the Act.

3. Definitions:

- a) **"Act"** means the Companies Act, 2013 including any statutory modification or re-enactment thereof.
- b) **"Board"** means the Board of Directors of the Company.
- c) **"Board's Report"** shall mean report of the Board of Directors prepared in accordance with section 134(3) of the Companies Act, 2013.
- d) **"Company" means** M/s. Systematix Shares and Stocks (India) Limited, a Company registered under the Companies Act 1956.
- e) **"Corporate Social Responsibility (CSR) Activities"** means the activities includes but is not limited to:
 - i. Projects or programs relating to activities undertaken by the Board of directors of the company in pursuance of recommendations of the `CSR Committee of the Board as per declared CSR Policy of the company subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act.
 - ii. However, CSR Activities shall not include the activities being undertaken by the Company in its normal course of business
- f) **"CSR Committee"** means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act.

- g) **“CSR Policy”** means the Corporate Social Responsibility Policy as set out herein and as amended or modified from time to time.
- h) **“Net Profit”** means the net profit of the Company as per its financial statement prepared in accordance with applicable provisions of the Act (Section 198), but shall not include the following viz:
 - 1. Any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise and
 - 2. Any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act. Provided that net profit in respect of a financial year for which the relevant financial statements were prepared in accordance with the provisions of the Companies Act, 1956 shall not be required to be re-calculated in accordance with the provisions of the Act.

4. CSR Committee

The Board of Directors of the Company shall constitute a committee called the "Corporate Social Responsibility Committee" ("CSR Committee") in accordance with the provisions of Companies Act, 2013 and rules made there under. The CSR Committee will consist of 3 or more directors or such other number of directors as the Board of Directors of the Company may determine from time to time. The Board of Directors may change the composition of the CSR Committee from time to time in such manner as it thinks fit.

Subject to provisions of Companies Act, 2013 and rules made thereunder, the CSR Committee may meet at such intervals, in such manner and may carry out matters in such manner and function generally as per such guidelines as it deems fit.

The CSR Committee shall have, inter alia, the following roles, powers and responsibility:

- a) Formulate and recommend to the Board of Directors of the Company, a Corporate Social Responsibility Policy ("CSR Policy") indicating the activities to be undertaken by the company as specified in Schedule VII of the Act and any amendments therein;
- b) to recommend the amount of expenditure to be incurred on activities referred to in clause (a);
- c) Develop and approve various CSR projects, programs and activities to be undertaken from time to time either directly by the Company or through other entities
- d) Determine modalities of execution of such CSR projects, programs and activities
- e) Undertake all necessary steps to implement the CSR activities
- f) Authorise and approve CSR expenditure from time to time subject to the limits approved by the Board of Director
- g) Monitor the CSR Policy and activities from time to time.

- h) Carry out all such acts, deeds, matters and things as may be required in connection with aforesaid matters and generally for any matter connected with the CSR policy of the Company
- i) To perform such functions as may be entrusted by the Board of Directors from time to time.

5. Role of the Board:

- a) After taking into account the recommendations made by the CSR Committee, approve the CSR Policy for the Company.
- b) Ensure that the CSR activities included in this Corporate Social Responsibility Policy are undertaken by the Company.
- c) The Board of the Company may decide to undertake its CSR activities approved by the CSR Committee, through a registered trust or a registered society or a Company established under section 8 of the Act by the company, either singly or along with its holding or subsidiary or associate company, or along with any other company or holding or subsidiary or associate company of such other company, or otherwise provided that - If such trust, society or company is not established by the company, either singly or along with its holding or subsidiary or associate company, or along with any other company or holding or subsidiary or associate company of such other company, it shall have an established track record of three years in undertaking similar programs or projects/activities;
- d) Ensure that in each financial year the Company spends at least 2% of the average net profits of the company made during the three immediate preceding financial years, calculated in accordance with Section 198 of the Act, in pursuance of its CSR policy. Further, while spending the amount earmarked for CSR activities, preference should be given to local areas and areas around the Company where it operates,
- e) As per Section 135 of the Act, specify the reasons for under spending the CSR amount in the Board's Report.

6. CSR Activities:

- i. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
- ii. Promoting education including special education and employment enhancing vocation skills specially among children, women, elderly and differently able and livelihood enhancement projects.
- iii. 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 backward groups.
- iv. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare and agroforestry, 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.
- v. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public library; promotion and development of traditional art and handicrafts.
 - vi. 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.
 - vii. training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports.
 - viii. contribution to the prime minister's national relief fund 8[or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women.
 - ix. (a) 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

(b) 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 Defence Research and Development Organisation (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).
 - x. Rural Development Projects.
 - xi. Slum area development.

Explanation.- For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

- xii. Disaster management, including relief, rehabilitation and reconstruction activities.

7. Target Group:

The Company shall ensure that in identifying its CSR Projects, preference shall be given to the local area and areas around which the Company operates. However, this shall not bar the Company from pursuing its CSR objects in other areas.

8. CSR Monitoring and Reporting Framework:

In compliance with the Act and to ensure funds spent on CSR Activities are creating the desired impact on the ground a comprehensive Monitoring and Reporting framework has been put in place.

The CSR Committee shall monitor the implementation of the CSR Policy through periodic reviews of the CSR activities

The respective CSR personnel will present their annual budgets alongwith the list of approved CSR activities conducted by the Company to the CSR Committee together with the progress made from time to time as a part of the evaluation process under the monitoring mechanism.

9. CSR Expenditure:

The Board of Director shall endeavour to the best of it's efforts that the Company spends, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years and computed in accordance with the provisions of 198 of Companies Act, 2013 read-with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The CSR activities undertaken in India only shall amount to CSR Expenditure.

CSR Expenditure shall include all expenditure including contribution to corpus for CSR activities approved by the Board on the recommendation of the CSR Committee but does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act.

Any surplus arising out of CSR projects, programs and activities shall not form part of the business profits of the Company.

Further, the Company will report reasons for under spending, if any, of the allocated CSR budget of the current financial year in Board's Report under the signatures of the Board of Directors of the Company.

10. Disclosure of the Policy:

The CSR policy recommended by the CSR Committee and approved by the Board shall be displayed on the Company's website and shall be disclosed in the Board's report as well.

11. CSR Reporting:

The Companies Act 2013 requires that the board of the company shall, after taking into account the recommendations made by the CSR committee, approve the CSR policy for the company and disclose Projects approved and on-going, Composition of CSR Committee and CSR Policy in their report and also publish the details on the company's official website, if any, in such manner as may be prescribed. If the company fails to spend the prescribed amount, the Board, in its report, shall specify the reasons.

12. Miscellaneous:

This policy shall be updated from time to time, by the Company in accordance with the amendments, if any, to the Companies Act, 2013, rules made thereunder or any other applicable enactment for the time being in force.