



CORPORATE SOCIAL RESPONSIBILITY (“CSR”) POLICY OF THE CALCUTTA STOCK EXCHANGE LTD

INTRODUCTION

For us at The Calcutta Stock Exchange Ltd, Corporate Social Responsibility has been an integral part of our vision and the cornerstone of our Core Value of Good Corporate Citizenship. It would be our endeavor to function as a responsible corporate entity and work for the communities and society at large and in & around our area of operations with an objective to energize, involve and enable them to realise their potential.

OBJECTIVE

- To lay down guidelines to make CSR a process for sustainable development of the society.
- To directly/indirectly undertake projects/programs, which will enhance the economic well being of the communities in and around our society at large.

COMMITTEE COMPOSITION

The Board shall constitute a CSR Committee composing with at least three (3) Directors. The CSR Committee shall include two Public Interest directors and one Shareholder Director, effectively, within the first quarter of each financial year. MD & CEO of CSE, also to be member of the Committee.

COMMITTEE MEETINGS

The CSR Committee shall meet as often as its members deem necessary to perform the duties and responsibilities, with a minimum of two meetings per year.

DUTIES & RESPONSIBILITIES OF CSR COMMITTEE

- i. Review of the CSR activities to be undertaken by CSE .The CSR Committee shall be guided by the list of activities specified in Schedule VII to the Companies Act, 2013and appended to this Policy as Appendix I.
- ii. Formulate and recommend to the Board the CSR activities/programs to be undertaken by CSE.
- iii. Recommend the CSR Expenditure to be incurred on the CSR activities/programs.
- iv. Identify the agency, in case CSR is to be implemented through approved external agency.
- v. Institute a transparent mechanism for implementation of the CSR projects and activities. Effectively monitor the execution of the CSR activities.
- vi. Prepare an annual report of the CSR activities undertaken for CSE and submit such report to the Board.

CSR EXPENDITURE

Every financial year, CSE shall spend a minimum of 2% of its average Net Profits before tax in the immediately preceding three (3) financial years. CSR expenditure budget to be approved immediately after approval of the annual accounts in the AGM. Net profits shall mean the net profits of the Company as per the Profit & Loss Statement prepared in accordance with the Companies Act, 2013.

IDENTIFICATION OF PROJECTS

The CSR Committee shall examine various projects for CSR. Once the preliminary examinations are made by the committee, the proposals shall be placed before the Board for approval, preferably at the beginning of each financial year. The Board shall approve projects for CSR, within the framework of Schedule VII to the Companies Act 2013 as enumerated below. While approving the projects the Board shall deliberate on various options and shall identify the projects which will generate optimum benefits to the target groups.

- Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.

- Promotion of education; including special education and employment enhancing Vocation skills especially among children, woman, elderly and the differently able and livelihood enhancement projects.
- 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.
- 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.
- 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.
- Measures for the benefit of armed forces veterans, war widows and their dependents.
- Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.
- Rural development projects.
- Renewable energy projects
- Research Studies as approved in Schedule VII
- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Movement
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.

IMPLEMENTATION

Once the projects are identified and approved by the Board, the management of CSR shall prepare estimates and shall place a specific implementation plan before the CSR committee. The Committee shall deliberate on the plan and give directions for implementations to the management. In the course of implementation and after implementation, the projects shall be monitored at periodic intervals. The costs of implementation shall be incurred either after satisfactory implementation or on the basis of different phases of implementation. The committee may also permit advance payments in deserving cases. The CSR Committee, at its discretion, may engage professional agencies, for supervising implementation of the projects, for monitoring as well as for impacts assessment. While engaging such agencies, normal procedure should be followed by inviting bids and care should be taken to verify their credentials

RESPONSIBILITY OF THE BOARD

- (i) Board to approve the CSR Policy and the CSR Expenditure after taking into consideration the recommendations made by the CSR Committee.
- (ii) Ensure the CSR spending every financial year of at least 2% of average net profits made during immediately preceding 3 financial years, in pursuance with the Policy
- (iii) Ensure that CSR activities included in the CSR Policy are undertaken by CSE and that such activities are related to the activities specified in Schedule VII of the Companies Act.
- (iv) Ensure disclosure of the contents of the CSR Policy on the CSE website.
- (v) Directors' Report to include Contents of the CSR Policy and Composition of Committee and CSR spending as per format enclosed.

REVIEW AND AUDIT

The CSR committee shall be apprised on the implementation of the CSR activities and the progress shall be monitored through its internal controls. At least two review meetings in the year to be convened for monitoring. CSR Committee Members shall have the power to enquire and inspect the place of programs physically conducted by the Exchange by incurring the expenditures earmarked for conducting CSR programs. The records relating to the CSR activities and the CSR Expenditures shall be maintained properly and shall be submitted for reporting and audit by Internal Auditors.