

FORTUNE STONES LIMITED

CORPORATE SOCIAL RESPONSIBILITY POICY Fortune Stones Limited



FORTUNE STONES LTD.

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1. Preamble

Fortune Stones Limited (hereinafter referred to as “FSL” or “the Company”) is a Joint Venture Entity of Fortune International Limited (hereinafter referred to as “FIL”) and M.P. State Mining Corporation Limited (hereinafter referred to as “MPSMCL”), whereby 20% of the Joint Venture company is owned by MPSMCL. Prime objectives of FSL is to carry out the business of mechanized mining of granite and to set up a modern state of art unit for cutting and polishing granite within the State of Madhya Pradesh.

FSL was started with a vision that has transformed FSL and today it is one of the largest producers of red granite in Northern India with an annual production capacity of over 60,000 Cubic Meters. The flagship mines are located near Khajuraho, Chhatarpur district, Madhya Pradesh.



Along with sustained economic performance, environmental and social stewardship is also a key factor for holistic business growth. The Company’s focus has always been to contribute to the sustainable development of the society and environment, and to make our planet a better place for future generations.

2. Objectives

The main objective of the CSR policy is to:

- Improve the living conditions of the local communities where the mines operate.
- Develop the area around mines and make them sustainable on their own in terms of health to care, education and social upliftment.
- Strive for economic development that positively impacts the society at large with minimal resource footprint.
- Embrace responsibility for the Company’s actions and encourage a positive impact through its activities on poverty, education, health, community and society.

This policy covers current as well as proposed CSR Activities to be undertaken by the Company and examining their alignment with schedule VII of the Act as amended from time to time.

3. Target Sector

In accordance with the requirements under the Companies Act, 2013, FSL CSR activities, amongst others, will focus on:

- **Hunger, Poverty, Malnutrition and Health:** Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.
- **Education:** Promoting Education among children and women; contributions for construction of schools and establishing fans, lights, motors, etc. With the objective of assisting students in their studies.
- **Gender Equality and Empowerment of Women:** Promoting gender quality and empowering women; Monetary contributions to orphans.
- **Environmental Sustainability:** Ensuring environmental sustainability and conservation of natural resources.
- **Sports:** Training to promote rural sport.
- **Protection of National Heritage, Art and Culture:** Protecting and promoting culture and traditional arts.
- **Rural Development Projects:** Strengthening rural areas by improving accessibility, housing, drinking water, sanitation and livelihood thereby creating sustainable villages.

4. Undertaking CSR Activities

Fortune Stones Limited will undertake its CSR Activities, approved by CSR Committee on its own or through such other entity/ organisation as approved by CSR Committee.

The surplus arising out of the CSR activities, projects or programmes shall not form part of business profit of the Company.

5. Location of CSR Efforts

Fortune Stone Limited being a responsible corporate citizen strives to bring about overall positive impact in societies/local communities living in Chhatarpur district, Madhya

Pradesh where it has business footprint. It will take up a wide range of issues relevant to the local underprivileged /marginalised communities and make a lasting and sustainable impact.

6. Goals

The goal of the company is to engage in several projects which are socially relevant and demanding in the locality surrounding its granite mines. The company may continue to undertake project, programs or activities of the following nature and also undertake such other activities as may be approved by the board as is falling under schedule VII of the Act 2013.

- **Hunger, Poverty, Malnutrition and Health**

The company may undertake projects or programs or activities aimed at improving the health and hygiene of the socially or economically weaker sections by providing free medicine, free or concessional treatments at hospitals, setting up of medical and diagnostic camps, opening of dispensary and sponsoring the doctor's and assistant's salary.

Company may also donate to orphans and other trusts and provide safe drinking water to the habitants of the village, do water sprinkling on the roads to provide relief from heat and hot weather and contribute towards Naali digging for various sanitation related measures.

- **Education**

Company may undertake projects or programs or activities aimed at the promotion of elementary education and to support the students belonging to weaker sections of the society by way of contributing and sponsoring for school building in the village and also by contributing the funds in blind schools.

Company may also sponsor ceiling fans, RO water facility and other electrification work in school building for improving their infrastructure.

- **Gender Equality and Empowerment of women**

Company may take up and carry on projects, programs or activities aimed at women empowerment and gender equality. The objective may be achieved through supporting women belonging to socially or financially weaker sections of the society.

- **Environmental Sustainability**

Company may assist the villagers in the doing Taalab Gaharikaran for availability of water in the village for local use and Company may give regular assistance in

maintenance of roads and also participate in religious matters of the villagers for their spiritual satisfaction.

- **Sports**

Company may contribute funds towards various sports tournaments to enhance and promote rural sports.

- **Protection of National Heritage, Art and Culture**

Company may contribute to promote and protect National art and culture by celebrating various festivals/ utsavs in Chattarpur district, where the mines are located.

- **Rural Development Projects**

Company believe that well - being of people living in rural areas ensures sustainable development. Company will work to achieve community development goals.

7. Composition of CSR Committee

As per the requirements of recently enacted Companies Act, 2013 and rules framed there under, the Board of Directors constituted CSR Committee. CSR Committee means the committee of the board constituted in terms of Section 135 of the Companies Act, 2013 read with Rule 5 of the rules. The CSR Committee shall consist of the following Directors of the Company:

- Mrs. Kamla Bharadwaj
- Mr. Sanjay Seth
- Mr. Ranjeet Hemchandra Oak

8. Responsibilities of Committee

- To Formulate and recommend to the Board of Directors, the
 - i. CSR policy
 - ii. Expenditure on CSR activities.
- Monitoring of CSR policy from time to time.
- Recommending CSR projects, which are in line with the activities specified in Schedule VII, to be undertaken by the Company.
- Recommending the amount of expenditure to be incurred on CSR projects.

- Monitoring Mechanism for the implementation of the CSR Projects or programmes or activities undertaken by the Company.

9. Governance

The company may undertake one or more projects or programs or activities provided in the policy either as its own or through any implementation agency. It shall be the endeavor of the company to build up necessary capabilities to implement the CSR projects on its own in the long run. It can also acquire the services of experts in respective fields by appointing them as consultants in a particular program or project. While engaging a third party agency for implementing a project or program covered in the CSR policy, the CSR committee shall ensure that they have credible standing and experience in the respective fields for at least three preceding financial years.

10. Funding

In line with the provisions of section 135 of the Companies Act, 2013, on recommendation of CSR committee the Board shall allocate up to 2% of average net profit during last three financial years, for CSR budget for each financial year. The Board shall have power to accept (with or without modifications)/reject the recommendations, but shall have to record its reasons for making any deviation. It is clarified that any income on funds allocated for CSR or surplus arising out of the CSR activity will not be part of business profits of a company, but shall part of CSR Corpus and shall be used for CSR.

11. Monitoring

CSR committee of the company will be responsible for the monitoring of various CSR projects or programs undertaken by the company directly or indirectly. The committee shall ensure that:

- Company undertakes the CSR activities as provided in the CSR policy.
- The projects/ programs are implemented as per the program approved by the board.
- The budget allocated for each of the project is utilized for the projects as per the approved plans.
- The objective of the project/program is achieved as per the plans.
- Wherever projects/programs are undertaken in partnership with one or more organizations, the part of the project or program undertaken by the company shall be distinguishable and necessary supporting documents in respect of the same shall be obtained from the other partners/implementing agency on an annual basis.

12. CSR Reporting

Following regulatory disclosure requirements need to be complied in relation to CSR activities of the Company:

- Composition of the CSR Committee shall be disclosed in the Board Report;
- The Board Report shall include an annual report on CSR activities in prescribed format (by Ministry of Corporate Affairs ('MCA')) containing specified particulars i.e. Brief Outline of CSR Policy, its content, the average net profit for the last 3 financial years and the prescribed CSR expenditures etc.;
- If the company fails to spend the prescribed amount, the Board shall, in its report specify the reasons for not spending the amount;
- The content of Policy shall be displayed on the company's website.

13. Changes/modification in CSR policy

Changes in CSR Policy can be made on the recommendation of CSR Committee by the Board of Fortune Stones Limited. Updated CSR Policy shall be placed on website and informed to all concerned.

14. Contact

For queries related to CSR Activities please write us at Megha@fortunestones.com.



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