

**PRABHUDAS LILLADHER PRIVATE LIMITED**

**Corporate Social Responsibility (CSR) Policy**



## **Document Validation Note**

Prabhudas Lilladher Private Limited (the “Company”), a Private Limited Company, incorporated under the Companies Act, 1956 and having its registered office at 3<sup>rd</sup> Floor, Sadhana House, 570 P.B. Marg, Behind Mahindra Tower, Worli, Mumbai - 400018 has formulated and adopted this Corporate Social Responsibility Policy in terms of Section 135 of the Companies Act 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (CSR Rules).

Section 135 of the Companies Act, 2013, requires the Company to constitute a Corporate Social Responsibility (CSR) Committee of Directors, adopt a CSR Policy, spend at least 2% of its average net profits made during the immediately preceding three financial years towards CSR activities as set out in Schedule VII to the Companies Act, 2013 and confirm compliance thereof in the Annual Report.

Accordingly, on the recommendation of the CSR Committee, this Policy was reviewed and approved by the Board of Directors of the Company at its meeting held on 29<sup>th</sup> December, 2015 and deemed to have come into effect from 1<sup>st</sup> January, 2016.

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<b>Title</b>	<b>Particulars</b>
Reviewing Authority	Corporate Social Responsibility(CSR) Committee of Directors
Approving Authority	Board of Directors of the Company
Document Status	Approved by the Board on 29 <sup>th</sup> December, 2015
Effective Date	1 <sup>st</sup> January, 2016

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## **I. PREAMBLE AND PHILOSOPHY:**

Prabhudas Lilladher Private Limited has had a philanthropic past and has been engaged in CSR Activities voluntarily. The Company strives to be a socially responsible company and strongly believes in development which is beneficial for the society at large. The Company intends to do CSR activities /programs, either ongoing or new, in the areas as specified in Schedule VII to the Act (as amended from time to time), as recommended by the CSR Committee and approved by the Board. Prabhudas Lilladher group has its own Charitable Trust known as the PL Charitable Trust which is actively involved in the following activities:

- advancement of education, by giving to poor and deserving students scholarships, loans, books, etc.;
- providing medical aid and medical relief by distribution of medicines, drugs, etc.;
- relief of poverty by distributing food and / or clothing free of charge;
- giving donations to charitable institutions engaged in relief of poverty;
- maintenance, uplift and welfare of destitute women and children and disabled persons and for giving donations to charitable institutions engaged in such activities;
- alleviation of distress and sufferings caused by various natural and man-made calamities by rendering assistance to affected persons or by giving donations to funds set up for the same;
- providing clean drinking water by providing funds for digging public wells and repairing public wells;
- such other charitable objects and objects of general public utility as the trustees may think fit.

## **II. OBJECTIVE:**

The objective of this Policy is to serve as a guide for carrying out CSR activities by the Company and also to set up process of execution, implementation and monitoring of the CSR activities to be undertaken by the Company. It aims at supplementing the role of the Government in enhancing welfare measures of the society based on the immediate and long term social and environmental consequences of their activities. The scope of the Policy has been kept as wide as possible, so as to allow the Company to respond to

different situations and challenges appropriately and flexibly, subject to the activities enumerated in Schedule VII of the Companies Act, 2013.

### **III. CONSTITUTION OF CSR COMMITTEE**

The Company has formed a duly constituted CSR Committee as per the provisions of Section 135 of the Companies Act, 2013 as under and the CSR Committee will report to the Board.

<b>Name</b>	<b>Designation</b>
Mr. Arun Prabhudas Sheth	Chairman
Mr. Dhiren Prabhudas Sheth	Member
Mrs. Amisha Niraj Vora	Member
Mr. Dilip Parmeshwar Bhat	Member

### **IV. ROLE AND POWERS OF THE CSR COMMITTEE**

Following are the roles and powers of the CSR Committee:

- Formulation of a CSR Policy and recommendation of the same to the Board of Directors of the Company for their approval
- Review, monitoring and implementation of this CSR Policy indicating the activities to be undertaken by the Company towards CSR initiatives under Schedule VII of the Act;
- Recommendation of CSR activities to be undertaken by the Company as stated under Schedule VII of the Act
- Approve to undertake CSR activities and to separately report the same in accordance with the CSR Rules
- Recommendation of the CSR Budget
- Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules
- Annually report to the Board, the status of the CSR activities and contributions made by the Company

- Formulation of a transparent monitoring mechanism for ensuring implementation of the projects/ programmes/ activities proposed to be undertaken by the Company or the end use of the amount spent by it towards CSR activities.
- Monitor activities/charter of Joint Working Group (JWG) who are authorized to ensure that the CSR activities of the Company are implemented effectively
- Any other requirements mandated under the Act and Rules issued thereto.

## V. ACTIVITIES TO BE UNDERTAKEN

Schedule VII to the Companies Act, 2013 lists down the activities which may be included by companies in their corporate social responsibility policies. The said activities relate to –

- eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including the contribution to Swach Bharat Kosh set-up by the Central Government for the promotion of “Sanitation” and making available safe drinking water;
- promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled 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 centres 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 including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- 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;
- vi. measures for the benefit of armed forces veterans, war widows and their dependents;
  - vii. training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
  - viii. contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Caste, the Scheduled Tribes, other backward classes, minorities and women;
  - ix. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
  - x. rural development projects
  - xi. Slum area development
- Explanation: For the purpose 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. Any other activity as may be notified by the Government from time to time.

**The CSR Activities shall not include the following: -**

- i. Activities undertaken in pursuance of normal course of business of the Company;
- ii. Activities that benefit only the employees of the company and their families;
- iii. Any contribution to any political party;

iv. The contribution made outside India;

While we intend to undertake all or any suitable activity as specified in Schedule VII to the Act, currently, we focus to support and implement the Healthcare and Education Sectors as our thrust areas.

## **VI. ALLOCATION OF FUNDS**

The Company shall spend not less than 2% of its average net profits for the immediately preceding three financial years or such other minimum amount in pursuance of its corporate social responsibility and subject to Section 135 of the Companies Act, 2013 and the rules made there under.

“**Average net profit**” here means average net profit calculated in accordance with the provisions of section 198 of the Companies Act, 2013.

Provided further that the allocation of the funds for CSR activities shall not be at the cost of or in place of the statutory / contractual obligations of the Company towards the government, banks and financial institutions.

Provided further that the surplus arising out of the CSR Projects or Programs or Activities shall not form part of the business profits of the Company

## **VII. MANNER OF IMPLEMENTATION**

This CSR Policy will be implemented from the succeeding year of a Financial Year in which the Company shows the net profits as per its audited annual financial statements. Based on the net profits, if any, every year, the CSR Committee will identify the CSR activities including the thrust areas, annual budget, planned expenditure and implementation schedule etc.

The preference for CSR activities shall be given to the local areas where registered office of the Company is situated.

However, this shall not bar the Company from pursuing its CSR activities in any other areas.



## **VIII. MODE OF IMPLEMENTATION**

The Company will undertake its CSR activities as approved by the CSR Committee, through itself or through the PL Charitable Trust or any other implementation agency as it may consider appropriate or through such other mode as is within the scope of the CSR Provisions and most suitable for execution of that particular activity / project.

The CSR Committee may also decide to contribute the entire or part of the amount to any fund as is within the scope of CSR Provisions

## **IX. MONITORING AND REPORTING MECHANISM**

The CSR Committee would meet on a periodic basis to monitor the implementation of the projects and also develop a monitoring mechanism to monitor the progress and implementation of the projects.

Appropriate records of CSR activities, expenditure incurred will be maintained on a regular basis and the same will be available to the Board of Directors of the Company. The monitoring mechanism would also include periodic due diligence tests to ensure proper implementation and reporting.

## **X. PUBLICATION OF THE CSR POLICY**

As per the CSR Rules, the contents of the CSR Policy shall be included in the Directors' Report and the same shall be displayed on the Company's website.

## **XI. POLICY REVIEW & FUTURE AMENDMENT**

The Committee shall annually review its CSR Policy from time to time and make suitable changes as may be required and submit the same for the approval of the Board.