

# **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 whenever applicable, adopt a CSR Policy, spend at least 2% of its average net profits made during the three immediately preceding 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, this updated Policy was reviewed and approved by the Board of Directors of the Company at its meeting held on 06<sup>th</sup> February, 2023 and deemed to have come into effect from 06<sup>th</sup> February, 2023.

<b>Title</b>	<b>Particulars</b>
Approving Authority	Board of Directors of the Company
Document Status	Approved by the Board on 06 <sup>th</sup> February, 2023
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## **I. PREAMBLE AND PHILOSOPHY:**

Prabhudas Lilladher Private Limited has 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 Companies Act, 2013 (as amended from time to time), as approved by the Board of Directors of the Company. 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:**

This policy has been prepared pursuant to and in accordance with the requirements of Section 135 of the Companies Act, 2013 (hereinafter called as “the Act”) and the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time and 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 Board of Directors of the Company shall constitute a CSR Committee of Directors based on the applicability as per the provisions of the Companies Act, 2013.

In absence of the CSR Committee, Board of Directors shall perform the role of CSR committee as required under the Companies Act, 2013.

### **IV. ROLES & RESPONSIBILITIES OF CSR COMMITTEE:**

Following are the roles and responsibilities 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;
- Recommendation of CSR activities to be undertaken by the Company as stated under Schedule VII of the Act;
- Recommendation of the amount of expenditure to be incurred (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;
- CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of this CSR policy and in accordance with rule 5 of the Companies (Corporate Social Responsibility Policy) Rules, 2014. Provided that Board may alter such plan at any time during the financial year based on the reasonable justification to that effect;
- 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;
- Any other requirements mandated under the Act and Rules issued thereto.

## **V. ROLES & RESPONSIBILITIES OF BOARD OF DIRECTORS:**

Following are the roles and responsibilities of the Board of Directors of the Company with respect to CSR:

- To review and approve the recommendations of CSR Committee in respect of annual budget for CSR;
- To approve the CSR projects or programmes that are recommended to be undertaken in areas or subjects specified in the Act; along with the manner of execution of such projects or programmes as specified in the Act;
- To ensure that the funds are utilized for approved purpose;
- To review and approve the Annual Action Plan in pursuance of the CSR Policy of the Company and make any Alteration to such Plan at any time during the financial year, as may be recommended by the CSR Committee;
- To ensure that on applicability of the provisions of CSR in any financial year, the Company spends at least two percent of the average net profits made during the three immediately preceding financial years of the Company on CSR activities;
- To ensure unspent CSR money, if any to be transferred to appropriate accounts within the timeline prescribed;
- To perform the roles and responsibilities mentioned in para IV in absence of the CSR Committee;
- Any other requirements mandated under the Act and Rules issued thereto.

## **VI. 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 –

- i. 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;
- ii. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled 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, 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;
- v. 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, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- vii. training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
- viii. 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 socio - economic development and relief and welfare of the Scheduled Caste, the Scheduled 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 Defense 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 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. disaster management, including relief, rehabilitation and reconstruction activities;
- xiii. 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;
- v. Any other activity as prescribed under the Companies Act, 2013.

**VII. ALLOCATION OF FUNDS:**

Based on the applicability of CSR, 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.

#### **VIII. MANNER OF IMPLEMENTATION:**

Based on the applicability of CSR, every year, the Company 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.

#### **IX. MODE OF IMPLEMENTATION:**

The Company will undertake its CSR activities as approved by the Board of Directors, 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 Board of Directors may also decide to contribute the entire or part of the amount to any fund as is within the scope of CSR Provisions.

#### **X. CREATION OR ACQUISITION OF CAPITAL ASSETS:**

The CSR amount can be spent for creation or acquisition capital assets which shall be held by:

- a) a company established under section 8 of the Act or Registered Public Trust or Registered Society, having Charitable objects and CSR Registration Number under the Rules; or
- b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- c) Public authority.

**XI. MONITORING AND REPORTING MECHANISM:**

The Board of Directors would 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. The monitoring mechanism would also include periodic due diligence tests to ensure proper implementation and reporting.

**XII. PUBLICATION OF THE CSR POLICY:**

As per the CSR Rules, the contents of the CSR Policy shall be included in the Directors' Report if required by the Companies Act, 2013 and the same shall be displayed on the Company's website.

**XIII. POLICY REVIEW & FUTURE AMENDMENT:**

The Board of Directors shall annually review its CSR Policy from time to time and make suitable changes as may be required. In the event of any conflict between this Policy and the provisions of the Act and the CSR Rules, this Policy shall be read and interpreted in accordance with the Act and Rules. In the event of any amendment to the Act and the CSR Rules, this Policy shall be deemed to have been amended accordingly.

Members of the Present Corporate Social Responsibility (CSR) Committee are as follows:

<b>Sr. No.</b>	<b>Name of the Member</b>	<b>Designation</b>
1	Mrs. Amisha Niraj Vora	Chairperson & Member
2	Mr. Dhiren Prabhudas Sheth	Member
3	Mr. Sandip Suresh Raichura	Member
4	Mr. Siddharth Niraj Vora	Member