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# Corporate Social Responsibility (CSR) Policy

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## 2. Purpose

Prodapt, through its CSR initiatives will continue to enhance value creation in the society and in the community in which it operates. Prodapt believes that alongwith sustained economic performance, environmental and social stewardship are key factors for holistic business growth.

## 3. Policy Statement

Through the CSR Policy, Prodapt endeavours to

- Ensure an increased commitment across Prodapt, to operate its business in an economically, socially and environmentally sustainable manner while recognizing the interest of its stakeholders
- Generate interest across Prodapt in CSR initiatives and directly or indirectly take up programs that benefit communities and help enhance their quality of life
- To generate through its CSR initiatives, goodwill and pride for Prodapt among stakeholders and help reinforce a positive and socially responsible image of Prodapt as corporate entity

## 4. Scope

This Policy is applicable to all CSR initiatives and activities taken up by Prodapt for the benefit of different segments of the society in consonance with the provisions of the Companies Act 2013

## 5. Effective Date

Effective date: 1<sup>st</sup> April, 2017

Revisit date: on need basis or as and when the law requires changes

## 6. Policy Authority

The authority for the CSR Policy is the Board of Directors of Prodapt. This CSR Policy of the Company has been adopted and approved by the Board of Directors upon recommendation of the CSR Committee.

## 7. Procedure

For achieving its CSR objectives through implementation of meaningful and sustainable CSR programs, Prodapt will spend 2% of the average net profit made during the three immediately preceding financial years in accordance with the Companies Act, 2013. Net profit shall be calculated in accordance with the

provisions of Section 198 of the companies act. The unspent CSR amount for a particular year would not lapse and may be carried forward to the next year for utilization of CSR activities only.

Prodapt shall undertake CSR projects or programs targeted at the underprivileged section of the society. It may spend either through its own initiatives or contribute to the initiative of third parties or even entertain specific requests from the beneficiary on case to case basis. Prodapt may undertake CSR projects or expenditures in all kinds of fields permitted under the law including the following sectors:

1. Wellness: Nutrition, Sanitation, health and drinking water
2. Education- Initiatives to further education among the underprivileged
3. Skill- Livelihood generation and Skill development initiatives
4. Progress- Projects to bring in rural development
5. Empowerment- Initiatives for empowering women, the elderly and differently abled
6. Environment- environment centric initiatives

Accordingly, the following activities have been identified in line with Schedule VII of the Companies Act, 2013 for the purposes of CSR initiatives of the Company.

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation <sup>4</sup>[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 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 centres 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, agroforestry, conservation of natural resources and maintaining quality of soil, air and water <sup>4</sup>[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 art and handicrafts;
- (vi) measures for the benefit of armed forces veterans, war widows and their dependents;
- (vii) training to promote rural sports, nationally recognised 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 govt. for socio economic development and relief and welfare of the schedule caste, 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. 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.

## **Composition of CSR Board committee:**

The Board of Directors of the Company has constituted a Committee named "Corporate Social Responsibility Committee" (hereinafter referred as "CSR Committee") which consists of the following Two Directors:

- a. Mr. Vedant Jhaver, Managing Director & CEO
- b. Mr. J K Jhaver, Director
- c. Mr. Vishnu Vardhan, Director

Mr. Vedant Jhaver shall be the Chairman of the Committee. The constitution of the Committee shall be subject to change from time to time by the Board.

To assist the CSR Committee, the Company shall form a 'Corporate CSR Committee' and a 'Work Centre CSR Committee' in respective hierarchy. The Corporate CSR Committee shall consist of executives of Prodapt. Corporate CSR Committee shall be responsible for co-ordinating with the CSR Committee whereas Work Centre CSR Committee shall be responsible for execution and monitoring of the CSR activities at each work centre and co-ordinating with the Corporate CSR Committee.

Upon constitution by the Board, the scope of work of CSR Committee will be to cover and exercise any or all of such aspects of CSR activities, as has been prescribed. The Corporate CSR Committee shall send an annual report on CSR containing details of the programs implemented by Prodapt as per the format prescribed under the rules of section 135 of Companies Act, 2013 to the CSR Committee. Corporate CSR Committee shall coordinate with Work Centre CSR Committee in execution of projects, activities and expenditure. If for some reason Prodapt fails to spend 2% of the average net profit of the preceding three years, the reasons thereof shall be furnished in the report to Board by CSR Committee. Detailed responsibilities of each level is attached as **Annexure A**

## **Meetings of the Committee**

The Committee shall meet as and when the Chairman calls for a meeting. Any one of the members of the Committee may, at the request of the Chairman, also call for a meeting

Quorum of a meeting of the Committee shall be any two members present, in the meeting, personally or over video conference.

The Notice of the meeting shall specify the Agenda. However, the members are free to discuss any other issue, with the permission of the Chairman of the meeting, whether included in the notice or not.

The affairs of the Committee, including those related to meetings, shall be conducted in a manner required under the Companies Act, 2013 and applicable Secretarial Standards.

## **Selection of Projects:**

Corporate CSR Committee shall draw a project plan and place it before the CSR Committee for its approval and recommendation to the Board in respect of the CSR activities that may be taken up by Prodapt in the following year based on the following criteria.

- All CSR activities shall be aligned with Schedule VII of the Companies Act, 2013.
- Project shall ideally address the emergent needs of the community
- Project should have clearly defined and documented project deliverables, milestones and outcomes

The CSR Committee or the Corporate CSR Committee may adopt one or more permitted means of funding its CSR activities, for example without limitation, by way of (i) donation to specific entities, or funds created by the government or (ii) formulating its own CSR project or (iii) participating in the CSR programs of the Group Companies or other entities.

In case, CSR activities are undertaken through various agencies including registered trusts/Societies, companies or autonomous bodies/ government departments:

- An established track record of 3 years in similar projects or programs would be essential
- Preference should be given to organizations who have eminent social personalities on their list of promoters or advisory boards.
- If at any stage during or after implementation of the Project, it is found that the implementation agency has indulged in corrupt or fraudulent practice, such agency shall be banned for a period of 3 years for any future business with Prodapt.

## **Implementation**

While executing a project weightage should be given to the following components:

- Program Objectives.
- Project cost- Direct and Overhead.
- Implementation schedules.
- Manpower planning- Experience and skills of personnel responsible to be deployed
- Major results expected and measurable outcomes
- Monitoring Mechanism
- Impact Assessment
- Documentation and reporting
- Exit Strategy

The time period/duration over which a particular programme will be spread, will depend on its nature, extent of coverage and the intended impact of the programme.

Programmes which involve considerable financial commitment and are undertaken on a timeframe of 3 years or more, will be considered as 'flagship programs' and accorded enhanced significance.

Prodapt may also collaborate with other companies for undertaking CSR projects or programmes or activities.

The overall responsibility for implementation and reporting of CSR activities of the work centre will rest with Work Centre CSR Committee.

Payments in respect of CSR projects will be made in terms of the milestones/payment schedule incorporated in the Agreement/MoU signed with the Implementing agency.

The Work Centre CSR Committee shall verify the deliverables achieved along with supporting documents and bills towards expenses incurred by the recipient for achieving the deliverables submitted by it and undertake periodic site visits wherever applicable before release of payment and shall submit a report/recommendation to the approving authority for approval of release of payment.

All major CSR projects or programmes to be implemented by Prodapt in a particular FY shall be placed before the CSR Committee which in turn will recommend that same to the Board by 31<sup>st</sup> March of previous financial year. However, the CSR Committee and the Board shall be free to entertain, during the year, new requests on case to case basis. .

## **Monitoring and Feedback**

To ensure transparency and effective implementation of the CSR programs undertaken at each workcentre, a robust monitoring mechanism will be instituted by the company providing for periodic monitoring at different levels using the following indicative medium

- Quarterly Progress Report
- Site Visits
- Documentary Evidence including photographs, films and videos
- Other In House monitoring mechanisms as determined by CSR Committee

## **General provisions**

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

In case of any query on interpretation on any clause of the Operating Guidelines and also in respect of matters not covered herein, a reference will be made to Corporate CSR Committee, who, in turn will examine the matter and put up the same for approval of CSR Committee if required

Any or all provisions of the CSR Operating Guidelines would be subject to revision/ amendment in accordance with the legislation/ guidelines on the subject as may be issued from Government, from time to time

## 8. Amendment

The management of the Company reserves the right to amend, modify, withdraw and revise any or all clauses of this CSR Policy depending upon the exigencies without assigning any reasons thereof.

## 9. Interpretation

The applicability of this CSR Policy shall be subject to conformity with the applicable laws of the land. The words, terms and expressions used in this CSR Policy shall have the same meaning as under the Companies Act, 2013 and the rules made thereunder.

Human Resources Department will have the responsibility of implementation of this CSR Policy and interpretation of the terms or clause(s) / portions of this CSR Policy with intervention of CSR Committee wherever it falls within the purview of the said CSR Committee.

This version of the Policy supersedes any other Policy that may have been released earlier with regard to CSR

## 10. References

Companies Act, 2013; The Companies (Corporate Social Responsibility Policy) Rules, 2014;



**Annexure A**

Level	Structure	Role
Corporate	CSR Board Committee (involving Board Of Directors)	<ol style="list-style-type: none"> <li>1. Approve Prodapt CSR Policy based on recommendations of the CSR Execution Committee of the Board.</li> <li>2. Disclose contents of Policy in its report and display on Prodapt's website.</li> <li>3. Ensure that, in every financial year, Prodapt spends, two percent of the average net profits made during three immediately preceding financial years, in pursuance of its CSR Policy (though it is not yet been made mandatory)</li> <li>4. Ensure that the activities which are included in the CSR Policy are only undertaken by the Company</li> </ol>
Corporate	CSR Execution Committee	<ol style="list-style-type: none"> <li>1. Formulate and recommend to the Board, a CSR Policy which shall indicate activities to be undertaken by company as specified in Schedule VII.</li> <li>2. Recommend amount of expenditure to be incurred on activities as above.</li> <li>3. Monitor the CSR Activities alongwith Policy Guidelines of the Company from time to time.</li> <li>4. Institute a transparent monitoring mechanism for implementation of the CSR Projects or programmes or activities undertaken by Prodapt.</li> </ol>