

Corporate Social Responsibility Policy

1. Purpose

The Corporate Social Responsibility Policy (“CSR Policy”) of Prudent Corporate Advisory Services Limited has been formulated by the CSR Committee and approved by the Board of Directors at its meeting held on September 23, 2021.

This policy aims to contribute towards sustainable development of the society and environment to make planet a better place for future generations. The philosophy of CSR is imbibed in our business activities and social initiatives taken in the area of health, sanitation, drinking water, women empowerment, upliftment of poor and deserving people, environmental sustainability and infrastructure etc.

The CSR Policy is formulated in accordance with the provisions of section 135 of the Companies Act, 2013 and rules made thereunder and other applicable laws to the company.

2. Effective Date

This policy shall be effective from the beginning of financial year i.e. April 1, 2021.

3. Definitions

- (i) “Act” means the Companies Act, 2013.
- (ii) “Board of Directors” or “Board” means the collective body of the directors of the company.
- (iii) “Company” means “Prudent Corporate Advisory Services Limited”
- (iv) “CSR Committee” means Corporate Social Responsibility Committee constituted by the Board of Directors of the Company
- (v) “CSR Policy” means CSR Policy of Prudent Corporate Advisory Services Limited.
- (vi) “CSR Rules” means the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.
- (vii) “Implementing Agency” means any entity registered with Ministry of Corporate Affairs for undertaking CSR projects, which is engaged by the company to implement various projects in pursuance of CSR Policy.

Any term used in this policy but not defined herein shall have the same meaning assigned to them under the Act and CSR Rules as applicable to the company.

4. Functions of CSR Committee

CSR Committee was constituted by the Board of Directors on March 12, 2015 with following functions assigned:

- a) To formulate and recommend a CSR Policy indicating the activities to be undertaken by the company in areas or subject specified in Schedule VII to the Act;
- b) To recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- c) To formulate and recommend an annual action plan in pursuance of CSR Policy covering the following aspects:
 - (i) the list of approved CSR projects or programs to be undertaken in areas or subjects specified in Schedule VII to the Act;
 - (ii) the manner of execution of such projects or programs as specified in rule 4(1) of CSR Rules;
 - (iii) the modalities of utilisation of funds and implementation schedules for the projects or programs;
 - (iv) monitoring and reporting mechanism for the projects or programs; and
 - (v) details of need and impact assessment, if any, for the projects undertaken by the company;
- d) Recommend changes to the Board, if any, needed in the annual action plan with reasonable justification to that effect.
- e) To monitor the CSR Policy as approved by the Board from time to time.

The CSR Committee should recommend the approach and direction of CSR activities to be undertaken by the company and also provide Guiding principles for

- (i) Selection of CSR projects / programmes / activities
- (ii) Implementation of CSR projects / programmes / activities
- (iii) Monitoring of CSR projects / programmes / activities
- (iv) Formulation of the annual action plan

5. CSR Activities

Company shall undertake CSR activities for development of the society and the environment, particularly in the vicinity of the areas where the facilities of the company are located.

- A. The company shall undertake such activities which are broadly related to any of the following:
- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation
 - (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 and making them independent to take financial decision on their own,
 - (iv) setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens
 - (v) Introducing measures for reducing inequalities faced by socially and economically backward groups.
 - (vi) 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.
 - (vii) 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;
 - (viii) 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;
 - (ix) training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports
 - (x) Rural development projects
 - (xi) Development of area declared as “slum area” by the Government or Competent Authority.
 - (xii) Disaster management, including relief, rehabilitation and reconstruction activities.
- B. The company may also contribute to the following funds as part of CSR activities:
- (i) Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
 - (ii) Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
 - (iii) 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 schedule caste, tribes, other backward classes, minorities and women;

- (iv) 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;
- (v) 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).

The above areas as enshrined in Schedule VII to the Act and included in this policy aims to provide macro areas in which CSR projects should be undertaken by the company. The CSR Committee should consider details of CSR projects as elaborated in the annual action plan for each financial year.

Any CSR activity proposed to be undertaken as a CSR initiative, but not specifically covered in the aforesaid, may be undertaken only with the prior approval of the Board and CSR Committee.

The CSR Rules prohibit the CSR projects and programs that are implemented by the Company, which are as follows:

- (i) activities undertaken in pursuance of normal course of business of the company:
Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that-
 - (a) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;
 - (b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;
- (ii) any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- (iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- (iv) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019;
- (v) activities supported by the companies on sponsorship basis for deriving marketing

- benefits for its products or services;
- (vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India;

6. Focus Areas

While the company may undertake CSR activities in any areas listed above, the focus areas of CSR activities should be on the following aspects:

- a. Health and medical services including organizing health and awareness camps for Immunisation, Eyecare, Motherhood, Child care, communicable diseases, blood donation, and organ donation.
- b. Women empowerment
- c. Education - Support to provide quality education to underprivileged, marginalized, or deserving persons and creating awareness on education
- d. Livelihood promotion and upliftment of poor and deserving persons.
- e. Poverty Reduction-Assistance to poor, deserving needy persons in terms of food, medicine, or financial assistance.
- f. Assistance to Orphanages, Widow Homes, Old age homes, etc.
- g. Environment protection
- h. Natural resource management and Rain Water Harvesting
- i. Safe Drinking Water and other sanitization activities.
- j. Rural Transformation and tribal development
- k. Animal Preservation
- l. support sustainable development goals

7. Annual Action Plan

The CSR Committee shall formulate and recommend to the Board, an annual action plan which shall cover the aspects as mentioned above.

The Board of Directors are empowered to alter the annual action plan during the financial year, if so recommended by the CSR Committee, based on the reasonable justification for such change.

8. CSR spending:

The company shall endeavor to achieve the objectives of CSR Policy and allocate every year:

- a. Minimum 2% of its average net profits made during the three immediately preceding financial years;
- b. Any income or surplus arising out of the CSR activities, projects or programs shall not form part of the business profit of the company and the same shall be ploughed back for use in CSR activities.

All the expenditure relating to CSR shall be pre-approved by the CSR Committee and the Board. The CFO shall monitor the utilization of funds for the purposes set forth and certify to this effect.

Unspent CSR amount, if any, shall be transferred to separate account in accordance with the applicable CSR Rules from time to time.

9. Mode of implementation

CSR programs, projects or activities of the company should be implemented through following methods:

- i. Directly by the company;
- ii. Implementing Agencies;
- iii. Any foundation or body incorporated by the company and eligible to undertake such CSR projects.
- iv. in collaboration with other organizations/group companies

While the company can engage suitable Implementing Agencies to undertake approved CSR projects, the company can also partner with local governance bodies, such as Gram Panchayats, Civic Bodies, Municipality to directly undertake approved CSR projects with the help and support of these bodies.

The Company needs to obtain a Utilization Report/Certificate from the eligible Implementing Agencies (IA) in the CSR programs, projects or activities of the company approved by the Board of Directors allotted to IA for implementation. Utilization Report/Certificates shall contain the details of the CSR amount contributed by the Company for particular CSR activities/projects for particular financial year.

10. Need and Impact Assessment

CSR activities undertaken should be in the interest of the society and the local population where the company operates. Before undertaking any project or activities the company shall conduct need assessment for the project and its utility in the demography where project is proposed.

The Company should do impact assessment of projects in accordance with the applicable CSR Rules from time to time.

11. Capital Assets

Capital asset acquired or created by CSR projects should be held by the beneficiaries of the said CSR project or a company established under section 8 of the Act or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4 of CSR Rules or a public authority for the benefits of all. The company should take appropriate measure to ensure that such assets are utilized for the purpose it was meant for and should not be transferred or disposed off without prior permission of the company.

12. Information dissemination

CSR Policy and activities undertaken shall be disseminated on website for public access and shall be published in the Annual Report of the company in the format prescribed under the Act and CSR Rules.

13. Disclosure of awards and recognitions:

Company shall disclose awards and recognitions received for CSR activities undertaken from time in time in Annual Report, various materials/documents and Website of the Company.

14. Review

The CSR Committee shall be fully responsible for the monitoring and review of the implementation of this policy in accordance with applicable laws from time to time. The CSR Committee shall provide recommendations as and when it deems necessary to the Board so as to amend/ modify/ revise the CSR Policy.
