

CORPORATE SOCIAL RESPONSIBILITY (CSR)

INDEX

- 1. CSR Policy**
- 2. Composition of CSR Committee**
- 3. Annual Action Plan for CSR FY 2024-25**
- 4. Annual Action Plan for CSR FY 2025-26**

PRUDENT EQUITY PRIVATE LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

("CSR POLICY")

Table of Contents

1. Preamble
2. Definitions
3. Objective
4. Scope
5. Monitoring and Surveillance
6. CSR Budget/ CSR Spend
7. Implementation of CSR Activity
8. Governance Structure
9. General Policy Guidelines

CORPORATE SOCIAL RESPONSIBILITY POLICY
OF
PRUDENT EQUITY PRIVATE LIMITED

I. Preamble

The concept of Corporate Social Responsibility (CSR) has gained prominence from all the avenues. Organizations have realized the fact that the regulator alone will not be able to get success in its endeavor to uplift the society. With the rapidly changing corporate environment and more operational freedom, Prudent Equity Private Limited (the “**Company**”) has adopted CSR as a strategic tool for sustained growth of the organization. CSR means not only investments of funds for Social Activity but also integration of Business Processes with the Social Processes.

II. Definitions

In this Policy unless the context otherwise requires:

- a) ‘Act’ means Companies Act, 2013;
- b) ‘Administrative overheads’ means the expenses incurred by the company for ‘general management and administration’ of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;
- c) ‘Corporate Social Responsibility’ means the activities undertaken by the Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in rules made thereunder, but shall not include the following, namely:-
 - i. 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;
 - ii. contribution of any amount directly or indirectly to any political party under section 182 of the Act;
 - iii. activities benefitting only employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
 - iv. activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
 - v. activities carried out for fulfillment of any other statutory obligations under any law in force in India;
- d) ‘CSR Rules’ shall mean the Companies (Corporate Social Responsibility) Rules 2014 and Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 including any re-enactment, modifications or amendments thereof;
- e) ‘CSR Policy’ means a statement containing the approach and direction given by the board of a company, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;
- f) ‘Ministry’ means the Ministry of Corporate Affairs
- g) ‘Net Profit’ means net profit as defined in Section 135 of the Act and Companies (Corporate Social Responsibility) Rules, 2014 which defines Net Profit as set out below:

Net Profit as per financial statements prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:

- i) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and

- ii) any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act
- h) 'Ongoing Project' means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification;
- i) 'Public Authority' means 'Public Authority' as defined in clause (h) of section 2 of the Right to Information Act, 2005 (22 of 2005);
- j) Words and expressions used in this CSR policy and not defined herein but defined in the Act shall have the meaning respectively assigned to them in the Act.

III. Objective

The main objective of the CSR policy is to lay down the guidelines for all the businesses engaged in the similar product line to make CSR a key business process for sustainable development for the Society. It aims at supplementing the role of the Government in enhancing the welfare measures of the society based on immediate and long term social and environmental consequences of their activities. The Company will act as good corporate citizen, by way of acting always for the good of the society. The Company's CSR Policy shall contain the approach and direction given by the Board, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the Annual Action Plan.

IV. Scope

The Company will spend the amount so allocated as CSR expenditure on projects or programs or activities (either new or ongoing) carrying out any one or more of the following activities:

- 1) Promotion of education
- 2) Ensuring water supply and making available safe drinking water
- 3) Promotion of health care by providing Indoor medical facilities and medicines including preventive healthcare and sanitation
- 4) Ensuring environmental sustainability, ecological balance, and protection of flora and fauna
- 5) Ensuring Animal Welfare, agroforestry, and maintaining the quality of soil, air, and water
- 6) Conservation of natural resources
- 7) Social Empowerment
- 8) Employment enhancing vocational skills and special education, especially among children, women, the elderly, and the differently abled.
- 9) Social Business projects
- 10) Promotion of Gender equality
- 11) Reduction of child mortality and improving maternal health
- 12) Combating HIV, AIDS, Malaria, and other diseases
- 13) Eradication of hunger, poverty, and malnutrition
- 14) Setting up public libraries
- 15) Contribution to Prime Ministers Relief Fund or any other fund set up by the Central or State government for socioeconomic development.
- 16) Funds set up by the Central or the State government for the welfare of the Scheduled castes, the scheduled tribes, and other backward classes, minorities, and women.
- 17) Slum Area Development
- 18) Setting up homes and hostels for women
- 19) Setting up old age homes, daycare centers, and other facilities for senior citizens
- 20) Measures for the benefit of armed veterans, war widows, and their dependents
- 21) Training to promote rural sports, national level sports, Paralympics, and Olympic sports.
- 22) Rural development projects
- 23) Livelihood Enhancement Projects
- 24) Promotion and development of traditional arts and handicrafts

- 25) Contribution or funds provided to technology incubators located within academic institutions approved by the central government.
- 26) Protection of national heritage, art, and culture.
- 27) Programs for the restoration of buildings and sites of historical importance and works of art.
- 28) Activities related to COVID-19 specified under Schedule VII relating to the promotion of health care, including prevention of health care and sanitization and disaster management.
- 29) Any other area as may be prescribed by Schedule VII amended from time to time.

The above CSR activities are illustrative and are not exhaustive. Further programs and/or activities can be identified through review, evaluation, and assessment by the Board of Directors from time to time.

These CSR activities would specifically exclude activities undertaken in pursuance of its normal course of business.

V. Monitoring and Surveillance

The Board of Directors of the Company shall be responsible for the monitoring of activities of the company for review of CSR policy and the implementation of the same in the due course of time.

1. The CSR expenditure and action shall be bound for review at regular intervals.
2. Cost-benefit and justification include the amount of financial involvement, and detailed project report carried out by the third parties or external agencies.
3. The Board of the company shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
4. Identify and approve any CSR project as an "Ongoing Project" if it is a multi-year project undertaken by a Company in fulfillment of its CSR obligation having timelines not exceeding 3 years excluding the financial year in which it was commenced. If the project is initially not approved as a multi-year project, it can still be considered an Ongoing Project if the duration of the Project has been extended beyond one year by the Board based on reasonable justification.
5. In case of an ongoing project, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time.
6. The CSR expenditure made by the company shall be annexed to the Director's report by way of a separate report and the details of such shall be fully contained or otherwise, explained therein.
7. Impact assessment, if and when mandated, will be undertaken by an independent agency and such impact assessment report shall be placed before the Board and annexed to the annual report of CSR.

VI. CSR Budget/CSR Spend

The Act mandates companies meeting the qualification criteria to allocate a certain portion of their annual net profits (before tax) during the three immediately preceding financial years to be spent on CSR Activities that fall under the purview of Schedule VII of the Act.

1. CSR Expenditure:

Net profit means profit more fully described under Rule 2(h) of the CSR Rules. The CSR expenditure shall include all expenditure including contribution to corpus or on projects or programs relating to CSR activities approved by the Board of Directors but does not include any expenditure on an item not in conformity or not in line with activities stated under Schedule VII of the Act.

The company would spend not less than 2% of the average Net Profits of the Company made during the three immediately preceding financial years. The surplus arising out of the CSR activity will not be a part of the business profits of the Company and shall be plowed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the Financial Year.

Where the company spends an amount in excess of the requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to the immediate succeeding three financial years subject to the conditions that:

- i) the excess amount available for set-off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule.
- ii) The board of the company shall pass a resolution to that effect.

2. Expenditure on CSR administration:

The administrative overheads incurred for general management and administration of CSR functions in the company shall not exceed five percent of the total CSR expenditure of the company for the Financial Year.

3. Failure to spend the CSR Money

In case the Company fails to spend the above targeted amount in that particular financial year, the reasons for such an unspent amount shall be reported by the Board of Directors in their Boards' Report for that particular Financial Year.

Further, any amount remaining unspent under the obligation as aforementioned pursuant to any ongoing project shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company on that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year;

Further, any amount remaining unspent under the obligation as aforementioned pursuant to other than any ongoing project referred in point above, the Company shall transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

VII. Implementation of CSR Activity

The company can implement its CSR activity itself or through:

- a. a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
- b. a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
- c. any entity established under an Act of Parliament or a State legislature; or
- d. a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and has an established track record of at least three years in undertaking similar activities.

VIII. Governance Structure

1. We have constituted a robust and transparent governance structure to oversee the implementation of our CSR Policy, in compliance with the requirements of Section 135 of the Act. At Prudent Equity Private Limited, our CSR governance structure will be headed by the Board of Directors who will be ultimately responsible for CSR projects undertaken.

1.1. Responsibilities

- Formulate and update our CSR policy.
 - Formulate an annual action plan pursuant to the CSR Policy.
 - Approve the projects as specified in V of the CSR policy.
 - Put the monitoring mechanisms in place to track the progress of each project.
 - Approve the CSR expenditure.
2. In line with Schedule VII of the Act and the CSR Rules, the Company shall undertake CSR activities included in its Annual CSR Action Plan, at the beginning of each Financial Year (beginning with the Financial Year 2023-24). The Board of Directors is authorized to approve any modification to the existing Annual CSR Action Plan or to propose any new program during the Financial Year under review.

2.1. Annual Action Plan

The Annual Action Plan is a plan of CSR activities for the Financial Year that would be placed before the Board of Directors of the Company which outlines the following aspects of CSR initiatives of the Company:

- List of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- Manner of execution of such projects or programs;
- Modalities of the utilization of funds and implementation schedules for the projects or programs;
- Monitoring and reporting mechanisms for the projects or programs; and
- Details of need and impact assessment, if any, for the projects undertaken by the Company
- Any other information as may be required.

Provided that the Board may alter such Plan at any time during the financial year based on the reasonable justification to that effect.

IX. General Policy Guidelines

1. The CSR programs and/or activities so selected/identified may be carried out by the Company through its officials, employees, representatives, any relevant forum/platform/organization etc. as may be decided by the Board of Directors.
2. The Company may collaborate or pool resources with other companies to undertake CSR activities and any expenditure incurred on these collaborative efforts would qualify for computing statutory CSR spending.
3. The company can also conduct its CSR activity through Trusts, Societies, or Companies formed for charitable purposes, operating in India and having an established track record of at least three years in carrying on activities in related areas.

4. Any of the Stakeholders can interact; and communicate with/to the Board of Directors forwarding their recommendations/suggestions, for consideration by them.
5. The CSR Rules prohibit the CSR projects and programs that are implemented by the Company for the benefit of the employees of the Company and their families.
6. The CSR activities implemented outside India also fall outside the purview of the Rules and hence CSR expenditure on such activities will not be considered for inclusion in the CSR Report.
7. Any Contribution directly or indirectly to any political party under section 182 of the Act, shall not be considered as CSR activity.
8. Activities that are undertaken by the Company in pursuance of its normal course of business will not be considered as CSR activities.



For PRUDENT EQUITY PRIVATE LIMITED


Director



COMPOSITION OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The current constitution of the Corporate Social Responsibility Committee is as follows:

S. No.	Name of Director	Position in the Committee	Designation
1.	Siddharth Oberoi	Chairperson	Managing Director
2.	Shilpi Oberoi	Member	Director

Annual Action Plan for FY 2024-25

S. No.	Project / Partner Name	Project description	Cost (INR)	Payment Status	The manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4;	The modalities of utilisation of funds and implementation schedules for the projects or programmes;	Monitoring and reporting mechanism for the projects or programmes;
1							
	Total		0				

Ongoing Projects for FY 2024-25

1	Saturn Dess Foundation (CSR Registration Number: CSR00028564)	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	25,69,952/-	Pending	Through implementing agency Saturn Dess Foundation (CSR Registration Number: CSR00028564). The amount will be disbursed to Saturn Dess Foundation, a Non-for-Profit Organization under Trust working on sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.	As per the procedure laid down by Saturn Dess Foundation (CSR Registration Number: CSR00028564). The expected timeline of project completion in terms of funds disbursement and utilization is 31st March 2026.	Saturn Dess Foundation to provide the utilization certificate periodically. The Company will continue monitoring project implementation and performance reports, verification of data, physical monitoring, etc.
	Total		25,69,952/-				

Notes:

Total Amount to be spent	25,69,952
Amount used for Set off of previous year(s)	-
Balance left to spend	25,69,952
Total Amount Spent	-
Excess spent	

Annual Action Plan for FY 2025-26

S. No.	Project / Partner Name	Project description	Cost (INR)	Payment Status	The manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4;	The modalities of utilisation of funds and implementation schedules for the projects or programmes;	Monitoring and reporting mechanism for the projects or programmes;
1	Saturn Foundation (CSR Registration Number: CSR00092059)	To rescue and care for stray and injured dogs	47,44,850		Through implementing agency Saturn Foundation (CSR Registration Number: CSR00092059). The amount will be disbursed to Saturn Foundation, a Non-for-Profit Organization under Trust working on sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.	As per the procedure laid down by Saturn Foundation (CSR Registration Number: CSR00092059). The expected timeline of project completion in terms of funds disbursement and utilization is 31st March 2029.	Saturn Foundation to provide the utilization certificate periodically. The Company will continue monitoring project implementation and performance reports, verification of data, physical monitoring, etc.
Total			47,44,850				

Ongoing Projects for FY 2024-25

1	Saturn Foundation (CSR Registration Number: CSR00092059)	To rescue and care for stray and injured dogs	25,69,952/-		Through implementing agency Saturn Foundation (CSR Registration Number: CSR00092059). The amount will be disbursed to Saturn Foundation, a Non-for-Profit Organization under Trust working on sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.	As per the procedure laid down by Saturn Foundation (CSR Registration Number: CSR00092059). The expected timeline of project completion in terms of funds disbursement and utilization is 31st March 2028.	Saturn Foundation to provide the utilization certificate periodically. The Company will continue monitoring project implementation and performance reports, verification of data, physical monitoring, etc.
Total			25,69,952/-				

Total Amount to be spent	47,44,850
Amount used for Set off of previous year(s)	-
Balance left to spend	47,44,850
Total Amount Spent	-
Excess spent	