Prasad & Company
(Project Works) Private Limited

Corporate
Social
Responsibility

# CORPORATE SOCIAL RESPONSIBILITY POLICY

## 1. POLICY OBJECTIVE

**Prasad & Company (Project Works) Private Limited ("PRASAD & CO." or the "Company")** is committed to conducting its business in a socially responsible, ethical, and environmentally sustainable manner. The Company endeavors to continuously improve the quality of life of the communities in its areas of operation. This policy is formulated in accordance with Section 135 of the Companies Act, 2013 ("the Act") and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("the Rules"), including all amendments thereto.

## 2. DEFINITIONS

For the purposes of this Policy:

a) "CSR Activities" mean the projects, programs, or activities undertaken by the Company as specified in Schedule VII of the Act and the Rules made thereunder, either singly or through implementing agencies.

b) "Ongoing Project" means a multi-year project undertaken by the company and approved by the Board on the recommendation of the CSR Committee, specifying the timeline for completion.

c) "Unspent Amount" means any amount out of the CSR budget that remains unutilized in a financial year.

d) "Surplus" means amounts remaining after the CSR project/program's completion or in the event of excess funds utilized for the CSR activity that do not form part of business profits.

## 3. APPLICABILITY

This CSR Policy applies to all CSR projects undertaken by the Company as per Schedule VII of the Act.

## 4. CSR FOCUS AREAS

In its initial phase, the Company will focus on CSR projects under the following heads, as aligned with Schedule VII of the Act:

- Education, including special education, vocational skill enhancement among children, women, elderly, and differently-abled individuals.
- Eradication of hunger, poverty, malnutrition; preventive healthcare and sanitation; safe drinking water; old age homes.
- Environmental sustainability, ecological balance, conservation of natural resources, and maintenance of soil, air, and water quality.

- Protection of national heritage, art, culture, restoration of historical structures, setting up public libraries, and promoting traditional arts and handicrafts.
- Contribution to Prime Minister's National Relief Fund or any other funds as specified by Central or State governments for socio-economic development and relief.
- Other CSR activities as may be approved by the Board through the CSR Committee, consistent with Schedule VII guidelines.

## 5. BOARD OF DIRECTORS RESPONSIBILITIES

The Board shall:

a) Approve the CSR Policy as recommended by the CSR Committee, with modifications as deemed fit.

b) Ensure the Company spends at least 2% of the average net profits (excluding profits from overseas branches and dividends from other Indian companies) for the preceding three financial years on CSR activities, or other amounts as mandated by law.

c) Ensure all implementing entities for CSR are registered with the Central Government, where applicable.

d) Monitor utilization of CSR funds effectively and certify such utilization as may be required under the Act.

e) Ensure ongoing projects are completed within the approved timeframe.

f) Ensure administrative overheads related to CSR do not exceed 5% of the total CSR expenditure in a financial year.

g) Disclose details on CSR activities, Committee members, projects, and the policy in the Annual Report and on the Company's Website as per statutory requirements.

h) Provide reasons for non-spending of CSR funds if applicable.

## 6. CSR COMMITTEE

Composition: The Committee shall have at least three directors, including one independent director.

Responsibilities:

- Formulate and recommend the CSR Policy and annual action plans to the Board.
- Review and recommend CSR budget for Board approval.
- Recommend modifications to the CSR Policy as needed.
- Monitor project implementation and progress through periodic reviews.
- Identify projects requiring impact assessment and ensure compliance.

## 7. CSR BUDGETING AND FUND UTILIZATION

- CSR funds will be utilized either directly by the Company, through its registered Foundation, or approved implementing entities under the Act.
- Any unspent amounts for projects other than ongoing must be transferred to the specified funds under Schedule VII within six months from the end of the financial year.
- For ongoing projects, unspent funds must be transferred to a dedicated “Unspent CSR Account” within thirty days of financial year-end and utilized within three years, failing which the balance is transferred to the specified funds.

## 8. TREATMENT OF SURPLUS AND EXCESS EXPENDITURE

- Surplus arising from CSR projects shall not form part of business profits.
- Excess CSR expenditure in a financial year, excluding surplus, may be set off against amounts to be spent in the next three financial years, subject to Board approval.

## 9. PROJECT IDENTIFICATION AND SELECTION

- Projects will be selected based on alignment with Schedule VII, environmental and social impact, cost-effectiveness, sustainability, and Company visibility.
- Proposals shall be submitted by the authorized official and approved by the CSR Committee and Board.

## 10. MONITORING, REPORTING, AND IMPACT ASSESSMENT

- The CSR Committee shall establish a monitoring framework for timely review and reporting of CSR activities and expenditures.
- Impact assessments shall be conducted by independent agencies as mandated by the Act and Rules.
- Findings of impact assessments shall be reported to the Board and made available to stakeholders.

## 11. ACQUISITION OF CAPITAL ASSETS

CSR funds may be used to acquire or create capital assets held by implementing entities as specified under the Act.

## 12. AMENDMENTS

Any amendments or modifications in CSR laws or rules shall automatically apply to this Policy and be deemed incorporated herein.