



**CORPORATE SOCIAL RESPONSIBILITY POLICY - 2021**

**Prompt Equipments Private Limited**

Real progress occurs when privileges are balanced with the responsibilities towards society. **PROMPT** has always laid emphasis on progress with a social commitment. The Company strongly believes in the philosophy of giving back to the community and serving the community and society in which the Company operates. We believe strongly in our core values of empowerment and betterment of not only the employees but also our communities. Following this principle, the company has developed a comprehensive approach towards promoting and facilitating various aspects of our surrounding communities, work-force and their families. The CSR Policy sets out the fact that the commitment of the Company's Activities extends beyond its business and profits and its endeavor to benefit all its stakeholders at large.

**PROMPT** is always serving for improving the quality of lives of its employees and also for society. We shall continue our efforts towards the development, growth and improving the quality of lives of the people in the community we serve. There will be special focus on Corporate Social Responsibility Programs by the **Prompt Group** for the development and improving lives of farmers, villages and Dairy Sectors.

#### **1. Need for the CSR Policy:**

Ministry of Corporate Affairs, Government of India has notified Section 135 being provision relating to CSR with effect from 1<sup>st</sup> April, 2014 and also notified relevant Rules namely the Companies (Corporate Social Responsibility Policy) Rules, 2014 which also came into effect from 1st April, 2014. The said provisions are applicable to the Company having:

- (a) Net worth of Rs. 500 Crores or more OR
- (b) Turnover of Rs. 1000 Crores or more OR
- (c) Net profit of Rs. 5 Crores or more for the year ended 31<sup>st</sup> March, 2014.

Any Company satisfying any one of the above criteria shall ensure that the Company spends, in every financial year at least 2 per cent of the average net profits of the Company made during the three immediately preceding financial years in pursuance of its CSR policy, provided that if the Company fails to spend such amount, the Board shall, in its report made under clause (o) of sub-section (3) of section 134, specify the reasons for not spending the amount.

The Company should give preference to the local area and areas around it where it operates for spending the amount earmarked for CSR activities.

As the Company is fulfilling the criteria of net profit of Rs. 5 Crores or more, as required by the Companies Act, 2013, the Company has formed CSR Committee of its directors. The CSR Committee has recommended the CSR policy to the Board of Directors. The Board of Directors, at their meeting held on 19<sup>th</sup> November, 2018 has approved the CSR policy of the Company.



This policy is framed in accordance with the applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modifications or reenactments thereof for time being in force).

## **2. Definitions and Interpretations:**

In this Policy, unless the context otherwise requires:

1. "Act" shall mean the Companies Act, 2013 and the rules made thereunder, including any modification, amendments or re-enactment thereof.
2. "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.
3. "Board" means the Board of Directors of the Company.
4. "Company" means Prompt Equipments Private Limited.
5. "CSR Committee" means a committee constituted by the Board of Directors in terms of Section 135 of the Act and the CSR Rules
6. "CSR Expenditure" means all CSR Expenditure of the Company as approved by the Board upon recommendation of the CSR Committee.
7. "CSR Policy" shall mean the present Corporate Social Responsibility Policy of the Company, as amended from time to time which covers the activities to be undertaken by the Company as specified in Schedule VII to the Act and the CSR Expenditure thereon.
8. "CSR Projects" or "Projects" means Corporate Social Responsibility Projects / activities / programs / initiatives instituted in India, either new or ongoing, and include but not limited to those undertaken by the Board in pursuance of recommendations of the CSR Committee as per the declared CSR Policy of the Company.
9. "Implementing Agency" means an implementing agency as mentioned in the Companies (Corporate Social Responsibility Policy) Rules, 2014 and shall mean:

In case it is established by the company either singly or jointly with other company, a Section 8 company or a registered public trust or a registered public society established by the company either singly or jointly with other company, and registered under section 12A and 80G of the Income Tax Act, 1961;



In case of agency established by a Third party, it can be through a Section 8 company or a registered public trust or a registered public society and registered under section 12A and 80G of the Income Tax Act, 1961 and should have a track record of at-least three years in undertaking similar activities.

10. "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 multiyear project but whose duration has been extended beyond one year by the board based on reasonable justification;
11. "Financial Year" shall mean the period beginning from 1st April of every year to 31st March of the succeeding year.
12. "Net profit" shall mean the net profit as per the Act and Rules based on which the specific percentage for CSR Expenditure has to be calculated.
13. "Rules" shall mean the Companies (Corporate Social Responsibility) Rules 2014, including any re-enactment, modifications or amendments thereof.
14. "Trust" means a Trust created and registered under the India Trust Act, 1882 or any Trust created and registered with charitable objectives by the Company and includes a Trust jointly created and registered by the Company with all or any of its Group companies.

Words and expression used and not defined in the Policy shall have the same meanings respectively assigned to them in the Act and/or Rules.

### **3. CSR Objective:**

The objective of the Company's CSR Policy is to frame guiding principles for identifying, execution and monitoring of CSR activities, its review from time to time, taking necessary corrective actions and reporting of the CSR activities to CSR Committee/Board of Directors. The whole idea is for the betterment of local community, employees and nearby society.

### **4. CSR activities:**

Prompt Equipment Private Limited is a Private Limited Company, and all activities are identified in a participatory manner, in consultation with the community of the areas where the Company's operations are carried on, literally sitting with them and gauging their basic needs, based on a discussion with the villagers and other influential, activities are prioritized.

The Company proposes to carry out CSR activities in the following functional areas subject to the approval of CSR Committee/Board of Directors from time to time:



- Development and improving the Quality lives of Farmers and Villagers.
- Education Awareness towards the children's in the slums area and needy people.
- Our one of the Initiatives towards the children is "Santa Drive" "Let's be a Santa for a Cause!" ultimate purpose of this is to provide Poor families and children food, and other belongings as per their need.
- Visit to an Old Age Home "To care for those who once cared for us is of the highest honor"
- "Beat Hunger" "If you can't feed a hundred people then feed just one" we believe that There is no big donation than to feed a hungry.

##### **5. CSR Committee:**

The CSR Committee shall be responsible for providing recommendations to the Board with respect to CSR Activities that may be undertaken by the Company in accordance with the CSR Policy as well as the Act and the CSR Rules.

The Corporate Social Responsibility Committee is consisting of following three Directors of the Company as its members:

- a) Mr. Shridhar P. Mehta, Chairman & Director
- b) Mr. Shreyas P. Mehta, Director
- c) Mr. Hitendra P. Shah, Director

The terms of reference and responsibilities of Corporate Social Responsibility Committee will be as under:

- a. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company and update the same from time to time;
- b. To recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- c. To monitor the Corporate Social Responsibility Policy of the company from time to time;
- d. To Prepare a transparent monitoring mechanism for ensuring implementation of the projects / programmes / activities proposed to be undertaken by the Company; to review CSR activities from time to time, undertake necessary corrective actions, if required and reporting of the CSR activities to CSR Committee/Board of Directors;
- e. Explain the manner in which the surpluses from CSR projects will be treated; and
- f. To place before the board the draft annual report as per the format in annexure to the Rules in Board meeting for Board to review and finalization.

The CSR committee may form small group of employees for carrying out CSR related activities under its supervision as and when the need arises.

If required a local man including villagers may also be included as a coordinator or as a link man to achieve the target as well as ensuring participation of local representative in formulating the CSR activities in order to obtain the maximum benefit for the community.



In case of need, close coordination may also be undertaken with NGOs to strengthen the CSR activities. If the CSR Committee is satisfied it may also donate appropriate funds to any NGO or local body if they are operating in line with CSR activities and thereby contributing indirectly for the attainment of desired results in the area of CSR activities.

**6. Allocation of funds (Modalities of utilization of funds):**

1. The Company, in every Financial Year, shall endeavor to spend such feasible amount as CSR Expenditure, which shall not be restricted by the statutory limit of a specified percentage of its average net profits of the three immediately preceding Financial Years.
2. Total expenditure in the CSR Annual Plan shall be approved by the Board upon recommendation by the CSR Committee.
3. In case the Company fails to spend the statutory minimum limit of 2% of the Company's average net profits of the immediately preceding three years, in any given financial year, the Board shall specify the reason for the same in its report in terms of clause (o) of sub-section (3) of section 134 of the Act and in addition such shortfall shall be treated as mentioned below:

**Unspent amount not relating to Ongoing Project:**

If there is an unspent amount with the Company which was required to be spent under CSR but could not be spent by the Company and which is not pertaining to the ongoing projects then such amount is required to be transferred to the fund specified in Schedule VII of the Companies Act, 2013 within a period of 6 months from the end of relevant financial year.

**Unspent amount relating to ongoing Project:**

In case there is an unspent amount relating to ongoing project then such unspent amount is required to be transferred within a period of thirty days from the end of relevant financial year to a special account to be opened by the Company with Scheduled commercial bank to be called "Unspent CSR Account (UNCSRA).

**7. Implementation of the CSR activities:**

The Company shall implement the identified CSR Projects by the following means:

**I. Direct Method**

The Company may on its own spent the amount under CSR Projects /activities presently within the scope and ambit as defined in Schedule VII of the Companies Act, 2013 as amended from time to time or in collaboration with other companies / trusts / NGOs undertaking projects/ programs in CSR activities.

The CSR Officer may engage external professionalism/firms/agencies if required, for the purpose of implementation of its CSR Projects.



The Company may collaborate with other companies if required, for fulfilling its CSR objects through the Direct Method, provided that the CSR Committees of respective companies are in a position to monitor separately such CSR Projects.

## **II. Through Implementing Agencies / Indirect Spending:**

The Company may spend the amount under CSR projects / activities through any implementing Agency, having a unique CSR Registration Number (with effect from 1 April 2021), subject to the condition that the implementing agency shall be:

1. Company established under section 8 of Indian Companies Act 2013, or Trust, or Society registered under section 12-A and 80-G of the Income Tax Act 1961, being established by the Company, either singly or along with any other company;
2. It should get itself registered with MCA by filing requisite form;
3. The activities pursued by the implementing Agency are covered within the activities covered under Schedule VII of the Companies Act, 2013 as amended from time to time;

## **8. Monitoring and Review of CSR projects/activities:**

All CSR activities shall be monitored by the CSR Committee on regular basis. The Review discussions shall be held among the Committee members and/CSR execution team and other participants for further improvement. Feedback will be obtained from the local representatives to ensure that benefits of such activities should reach to the local community, the same will also be measured against targets and budgets and wherever necessary, midcourse corrections will be affected.

The committee will review the implementation of the CSR Programmes during regular intervals and issue necessary directions from time to time to ensure orderly and efficient execution of the CSR Programmes in accordance with this Policy.

## **9. Disclosure in the Board of Directors' Report:**

As required by the provisions of the Companies Act and Rules made there under, contents of the CSR policy will be disclosed in the Report of the Board of Directors of the Company and on the website of the Company.

## **10. Policy documents to be referred for implementation of CSR activities:**

- (a) CSR policy of M/s. Prompt Equipments Private Limited.
- (b) Provisions of the Companies Act, 2013 relating to CSR and rules made there under.
- (c) Any subsequent notification / circular / amendments / modification / revision / addendum to the aforesaid acts and rules issued by the Ministry of Corporate Affairs, Govt. of India.

**11. Surplus out of CSR Activities:**

The surplus arising out of the CSR activities, if any shall not form part of the business profit of the Company and may only be reallocated to the CSR Activities being undertaken in terms of this CRS policy.


**12. General:**

- (a) The Company reserves the right to modify, cancel, add or amend any of the above activities/rules/guidelines within the broad parameters of the provisions of Companies Act, 2013 and rules made thereunder.
- (b) In case of any doubt with regard to any of the provisions of the policy and also in respect of any matters not covered therein, the interpretation and decision of the Chairman of the CSR Committee/ Board of Directors shall be final.

**13. Management Commitment:**

Our Board of Directors, our Management and all of our employees subscribe to the philosophy of compassionate care. We believe and act on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. This is the cornerstone of our CSR policy.

**For, Prompt Equipments Private Limited**

  
**Shridhar Pravinchandra Mehta**  
**Director & Chairman of CSR Committee**  
**DIN: 00350789**