

Prompt Enterprises Pvt. Ltd.

"Passionate about Precision"

CIN No. :- U51909DL2003PTC123366

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New Delhi-110053 (INDIA)

Manufacturing :- ERW Steel Tubes



"PROMPT ENTERPRISES PRIVATE LIMITED - CORPORATE SOCIAL RESPONSIBILITY POLICY"

The Board of Directors (the "Board") of **Prompt Enterprises Private Limited** (the "Company") acting upon the recommendation of its Directors and the Corporate Social Responsibility Policy Committee (the "Committee"), have adopted the following policy and procedures with regard to the Company's Social responsibility.

❖ CORPORATE SOCIAL RESPONSIBILITY PHILOSOPHY:

The core theme of the Company's CSR policy is giving back to the society from which it draws its resources by extending helping hand to the needy and the underprivileged.

Corporate Social Responsibility is the commitment of business to contribute for sustainable economic development by working with the employees, local community and society at large to improve their lives in ways that are good for business and development. It is the contribution of the corporate sector for philanthropic causes like education, health, water, environment and community welfare.

In alignment with vision of the company, through its CSR initiatives will continue to enhance value creation in the society, through its services, conduct & initiatives, so as to promote sustained growth of the society, in fulfillment of its role as a Socially Responsible Corporate, with environmental concern.

❖ POLICY OBJECTIVE:

The objective of this Policy is to set guiding principles for carrying out CSR activities by the Company and also to set up process of execution, implementation and monitoring for the CSR activities to be undertaken by the Company.

❖ PROJECTS & ACTIVITIES:

The company shall undertake and execute the CSR activities (CSR projects/ Programs) in areas listed under Schedule VII of the Act. The said activities include the following:

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
3. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
4. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal

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welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;

5. 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;
6. Measures for the benefit of armed forces veterans, war widows and their dependents;
7. Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports
8. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the scheduled caste, tribes, other backward classes, minorities and women;
9. Contribution to funds provided to technology incubators located within academic institutions which are approved by the Central Government;
10. Rural development projects;
11. Slum area development.

Explanation- 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.

Any other activities in relation of the above and all other activities which forms part of CSR as per Schedule VII of the Act, 2013 (the "Act") as amended from time to time. (Collectively referred to as "CSR Activities")

The CSR Activities shall be undertaken for the benefit of the public and not only for the employees of the Company and their family. Provided that the preference shall be given to the local areas and areas where the Company operates for undertaking the CSR Activities.

❖ **CSR EXPENDITURE AND MODALITIES OF UTILISATION OF FUNDS**

1. The amount to be spent on CSR activities would be at least 2% of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of this policy. Funds towards particular projects/programs will be released on requirement basis, from time to time.
2. As CSR programs/project may spread for more than one year, hence it is not necessary that all expenses should be spent in a financial year.
3. CSR expenditure shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities, approved by the Board on the recommendation of the CSR Committee, but does not include any expenditure on any item not in conformity or not in line with activities which fall within the areas or subjects specified in Schedule VII of the Companies Act 2013.
4. The CSR Policy mandates that the surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company.

It is further clarified that CSR activities should be undertaken by the companies in project/ programme mode. One-off events such as marathons/ awards/ charitable contribution/ advertisement/ sponsorships of TV programmes etc. would not be qualified as part of CSR expenditure.

❖ **IMPLEMENTATION OF CSR ACTIVITIES:**

1. The Board of a company may decide to undertake its CSR activities approved by the CSR Committee, by the company itself or through
 - a. company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G 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 having an established track record of at least three years in undertaking similar activities.
2. The Company may collaborate with any other companies, a registered trust or society for undertaking the CSR Activities subject to fulfillment of separate reporting requirements as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the "Rules").
3. The CSR projects or programs or activities undertaken in India only shall amount to CSR Expenditure.
4. The CSR projects or programs or activities that benefit only the employees of the company and their families shall not be considered as CSR activities in accordance with section 135 of the Act
5. The Company may build CSR capabilities of its personnel as well as those of implementing agencies through institutions with established track records of at least three financial years but such expenditure "including expenditure on administrative overheads, shall not exceed five percent of total CSR expenditure of the company in one financial year.
6. The CSR Activities shall not include any activity undertaken by the Company in pursuance of normal course of business of the Company.
7. The Company shall not make any payment directly or indirectly to Political Party(ies) under Section 182 of the Companies Act, 2013 for CSR Activities.
8. The CSR Activities shall not include activities supported by the company on sponsorship basis for deriving marketing benefits for its products or services, activities carried out for fulfillment of any other statutory obligations under any law in force in India.

❖ **PROCEDURE FOR CSR ACTIVITIES**

- (i) The Committee shall formulate and recommend to the Board an annual action plan consisting of list of approved projects or programs to be undertaken within the purview of Schedule VII of the Companies Act, 2013 manner and execution of the projects, modalities of fund utilization and implementation schedules, monitoring and reporting mechanism for the projects and details of need and impact assessment, if any, for the projects to be undertaken.
- (ii) The Board shall give its approval based on the recommendation of the Committee and in compliance of this Policy; or may give enabling authority to the Committee or company officials, as the Board may deem appropriate.
- (iii) The Board shall provide approval for the annual action plan formulated and presented by the CSR Committee for spending of the prescribed CSR budget.

The Board shall mandatorily disclose the CSR Policy at the Company's website.

- (iv) The Committee, shall update/ report to the Board, the status of the CSR Activities undertaken, Expenditure Incurred and such other details as may be considered necessary, at regular intervals.
- (v) The board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

"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;"

{eg:- Salary paid by the companies to regular CSR staff as well as employees, who render their services for CSR will be part of Administrative overheads and should not exceed 5% of the total CSR expenditure as per rule 4(6) of CSR Policy, Rules 2014. }

❖ CSR COMMITTEE

Presently, the Corporate Social Responsibility Committee of the Board ("CSR Committee") consists of following directors of the company as the Members of the Committee and they are:

- (i) Mr. Mukesh Kumar
- (ii) Ms. Kamlesh Gupta

However the Board of Directors is empowered to re-constitute CSR Committee from time to time.

❖ ROLE OF THE COMMITTEE

The Committee shall carry out of the following functions:

- recommend the CSR Policy to the Board;
- identify the projects/activities to be undertaken by the Company for CSR;
- formulate and recommend to the Board an annual action plan consisting of list of approved projects or programs to be undertaken within the purview of Schedule VII of the Companies Act, 2013 manner and execution of the projects, modalities of fund utilization and implementation schedules, monitoring and reporting mechanism for the projects and details of need and impact assessment, if any, for the projects to be undertaken;
- monitor the CSR Policy of the Company and to recommend amendment, if any, required from time to time to the Board of Directors of the Company;
- ensure compliance of CSR Policy;
- to institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company.
- to place before the Board responsibility statement that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company; and such other functions as may be delegated by the Board from time to time.

❖ THE GEOGRAPHIC REACH

Prompt Enterprises Private Limited shall give preference to the local area of factories/offices/depot or areas around it where it operates, for spending the amount earmarked for CSR activities. However, in general, the area will extend throughout India.

❖ MONITORING AND REPORTING MECHANISM

1. The Board shall ensure activities as are included in CSR Policy of the company are undertaken by the company.
2. The CSR Committee shall monitor CSR policy of the company from time to time.
 - a. The CSR Committee Shall institute a transparent monitoring mechanism for implementation of the CSR Projects or programs or activities undertaken by the company which shall include the following.
 - b. Funds towards particular projects/programs will be released on requirement basis.
 - c. CSR activities and programs will be well documented with photographs, reports as well as directly monitored by employees of the company deputed on the programs and funds released to the implementing agency would be based on satisfactory documents duly signed by authorised officer of the said entity along with satisfactory performance report submitted by the said person, as may be decided by the CSR Committee.
 - d. A social satisfaction survey / audit may be carried out by an external agency, if needed.
3. Composition of the CSR Committee shall be disclosed in Board Report.
4. The Board Report shall include an annual report on CSR activities in the format as prescribed by the Ministry of Corporate Affairs (MCA), containing specified particulars.
5. In case 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 and, unless the unspent amount relates to any ongoing project referred to in Section 135 (6) of the Companies Act 2013, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year].
6. The contents of CSR Policy shall be displayed on the company website.

❖ ANNUAL ACTION PLAN

The CSR Committee shall formulate and recommend to the Board of Directors, an annual action plan in pursuance of this Policy, which shall include the followings:-

- (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in this policy,
- (b) the manner of execution of such projects or programmes,

- (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes,
- (d) monitoring and reporting mechanism for the projects or programmes and (e) details of need and impact assessment, if any, for the projects undertaken by the company.

The Board of Directors may approve the annual action plan with such further conditions as it deems fit and further alter annual action plan at any time during the financial year, as per the recommendation of the CSR Committee, based on the reasonable justification to that effect.

❖ TAX TREATMENT

Tax treatment of CSR Spent will be in accordance with Income Tax Act, 1961 as amended from time to time and other applicable rules or circulars (issued by CBDT)

❖ AMENDMENTS TO THE POLICY

CSR Committee of Board of Prompt Enterprises Private Limited will review the policy from time to time, based on the changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary.

Our Corporate Social Responsibility policy, conforms to the Section 135 of the Companies Act, 2013 & Companies (CSR Policy) Rules, 2014 and amendment thereof, on Corporate Social Responsibility, as spelt out by the Ministry of Corporate Affairs, Government of India. In case, any subsequent changes in the Companies Act, 2013 or any other applicable rules or regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, the provisions of the Act or regulations would prevail over the policy with effect from their enforcement and the policy would be modified in due course to make it consistent with the amended laws.

❖ CONCLUSION

In case of any doubt with regard to any provision(s) of the policy, a reference can be made to CSR Committee of Board of Directors. In all such matters, the interpretation & decision of the CSR committee of the Board of Directors shall be final.

Words and expressions used and not defined in this Policy shall have the same meanings respectively assigned to them in the Act and the Rules. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines as may be issued by Government, from time to time.

