

**PREPLADDER PRIVATE LIMITED**

**POLICY ON CORPORATE SOCIAL RESPONSIBILITY**

[In terms of the provisions of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014]

Version 1.0

Approved by the Board on 17 September 2019

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*“Bahujana hitaya, bahujana sukhaya”*

*“for the benefit of many, for the happiness of many”*

*-Rigveda*

## **1. INTRODUCTION & BACKGROUND**

Prepladder Private Limited (herein after referred to as ‘the Company’ or ‘Prepladder’), has been on the rise since its inception and is committed to give back to the community it operates in. It firmly believes that business success is not just about profits and shareholder returns and it believes in pursuing wider socio-economic and cultural objectives and have always endeavored to not just live up to it, but to try and exceed the expectations of the communities in which we operate.

The policy for Corporate Social Responsibility (CSR) has been specially designed for Prepladder with a clear focus on promoting education in India, including accessibility and quality of education for all, in particular giving special attention towards education for underprivileged children and employment enhancing vocation skills especially among youth, women, and the differently abled in order to make them employable.

The Companies Act, 2013 (“Act”), Schedule VII to the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (“Rules”) for CSR have come into effect from the first day of April 2014, with defined threshold for Companies registered under the Act. All Companies having net worth of INR 500 crore or more or turnover of INR 1000 crore or more or net profit of INR 5 Crore or more during the immediately preceding financial year are required to constitute a CSR committee and spend in every financial year, at least two per cent (2%) of their average net profits, made during the three preceding financial years or where the Company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years, on CSR activities and report the amount incurred in the annual financial report along with expenses made and also report the reason for non-spending in director’s report, if any.

## **2. OBJECTIVES OF THE POLICY**

The main objective of this policy is to lay down guidelines for the Prepladder to make a positive contribution to the society and being a socially responsible with an aim of sustainable development of society. The purpose of this policy is to define the company’s vision, guiding principles, strategy and programs for its CSR efforts. This Policy shall be read in line with Section 135 of the Act, the Rules and such other, regulations, circulars and notifications (collectively referred hereinafter as “Regulations”) as may be applicable and as amended from time to time and will, inter-alia, provide for the following objectives:

- a. Establishing a guideline for compliance with the provisions of Regulations to dedicate a percentage of Company’s profits for social projects;
- b. Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting;

## CSR Policy

- c. Creating opportunities for employees to participate in socially responsible initiatives&
- d. Driving measurable change in our communities.

### 3. THE GOVERNANCE MODEL

#### Constitution of the CSR Committee

As per the provisions of Section 135 of the Act, the Board of Directors shall constitute the CSR Committee. The committee shall consist of three or more directors out of which at least one director shall be an independent director. However, as per the proviso to section 135(1) of the Act, the requirement to appoint independent director as one of the members shall not be applicable if the Company is not required to appoint an independent director under section 149(4) of the Act.

The CSR committee of the Company shall consist of existing 3 board members and the Chairman of the committee shall be Mr. Deepanshu Goyal. The CSR committee shall hold at least one CSR Committee meeting in a financial year. The quorum for meeting of CSR committee shall be two directors.

Currently, the provision of appointment of Independent Director as one of the Committee members is not applicable on the Company. The CSR committee shall ensure strict compliance with this provision, as and when it becomes applicable by giving an advance timely intimation to the board of directors of the Company.

#### Role of the CSR Committee

- a) To formulate and recommend to the Board of Directors, the CSR Policy and changes/amendments therein from time to time, which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act and the applicable regulations;
- b) To decide on the regions/locations for CSR activities;
- c) To recommend the amount of expenditure to be incurred on the CSR activities as per the applicable laws;
- d) To formulate the CSR budget based on the CSR activities planned for the financial year;
- e) To create an effective due diligence and monitoring mechanism for implementation of the approved CSR activities and
- f) To periodically monitor the implementation of CSR policy.

#### Board of Directors

The Board of the Company shall, after taking into account the recommendations of CSR Committee, approve the CSR Policy for the Company and disclose contents of such policy in Director's Report and the same shall be displayed on the Company's website, if any, disclose in its annual report the compositions of the CSR Committee, ensure that activities are undertaken as per the CSR policy and ensure that Company spends the amounts mandated as per applicable law on CSR activities.

In case any amount is left unspent, the Directors shall in their Report specify the reasons for the same.

#### 4. FOCUS AREAS

Enumerated below are the areas under which the Company will implement its CSR projects. This will be reviewed from time to time by the CSR Committee of the Board and specific initiatives under these will be undertaken in line with the CSR policy to meet the overall objectives of these interventions.

##### **1. Promoting Education:**

Education is one of the building blocks of any nation. With the aim of having 'every child in school and learning' the Company's interventions will aim at mainstreaming children and improving the quality of education they receive. A multitude of interventions such as educational sponsorships to students belonging to economically/ socially/ physically challenged categories, supporting the infrastructure or running cost of reading programs, libraries, supportive classes, Computers, science laboratories, etc. will be undertaken to create a conducive learning environment and to promote learning.

**It is pertinent to note here that the CSR committee shall ensure that Company shall not undertake CSR activities in the education domain, which falls under the ordinary/ normal course of its business, such as giving online subscription, notes, books, or any other study material to students, schools, universities, institution or any other organization whatsoever.**

##### **2. Contribution to the Prime Minister's National Relief Fund:**

Contribution to 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 schedule caste, tribes, other backward classes, minorities and women or otherwise for any other national relief measures, notified by the Government from time to time.

##### **3. Promoting Public Health: Promoting Preventive Healthcare**

The Company believes that a good public health is the key to sustained livelihood options. The company will support public health projects such as provision of primary health centers, medical camps, amenities in public areas.

##### **4. Eradicating Poverty: Eradicating Poverty, Hunger and Malnutrition**

The Company recognizes the need to reach out to those at the bottom of the pyramid by providing them with need based assistance. The Company will also encourage employees to continue to contribute to society by undertaking projects in their respective areas.

The Company aims to support its employee's endeavour to become responsible citizens and support their charitable causes. Employee's may choose a charity of their choice and donate time or money to causes close to their heart. The Company will match the contribution (or money equivalent to time) to support and encourage the employees. The donations could be in the form of money, materials or time to support education, orphanages, old age homes, hospitals, assisted living, medical care to poor, disadvantaged, elderly etc.

**5. Environmental Sustainability:** Ensuring Environmental Sustainability, Conservation of Natural Resources and maintaining the quality of soil.

The Company will initiate projects implemented directly or through consultant partners and introduce environmental friendly practices. Social Communication will be used as an effective tool in influencing behavior and creating a sustainable environment for the community.

## **5. BUDGET AND EXPENDITURE**

The Company shall allocate a budget for both projects and overheads for each of the CSR activities falling within the purview of the objectives of this policy. The CSR expenditure shall include all actual expenditures including contribution on project or programs relating to CSR activities recommended by the CSR Committee and approved by the Board of Directors but shall not include any expenditure that does not fall within the purview of Schedule VII of the Act such as

- i. incurred in the normal course of business including regulatory obligations;
- ii. incurred for benefit of employees or their families;
- iii. direct or indirect contribution to political party/group and
- iv. director indirect contribution to religious association/organizations

## **6. MONITORING PROCESS**

The CSR Committee is responsible to monitor progress and impact of CSR activities, projects and programs undertaken. It will ensure a transparent monitoring process. Projects will be monitored through:

- a) Half yearly/ annual progress report (as may be decided by the Committee);
- b) Fund utilization/ expense report/ certificate (as may be decided by the Committee);
- c) Field visits by members of the CSR Committee, employees or by the CSR Team in case of onsite projects;
- d) Employee volunteering initiatives. (If recommended by the Committee)
- e) CSR committee shall report and keep the Board updated regarding the expenses incurred on donations and CSR activities for each year.

## **7. VALIDITY OF CSR POLICY**

This policy is effective from the date of approval of CSR policy by the board and may be amended by the Board as required from time to time.

## **8. AMENDMENT TO THE POLICY**

The Board of Directors on its own or on the recommendation of CSR committee can amend its policy as and when deemed fit. Any or all provisions of CSR Policy would be subjected to revision/amendment in accordance with the regulations on the subject as may be issued from relevant statutory authorities, from time to time.

## 9. OTHER PROVISIONS

1. Any surplus generated from CSR projects undertaken by the Company in a particular financial year will be tracked and shall be used in development of the CSR projects in the following year and will not be added to the normal business profits.
2. The Company to ensure that the CSR activities should not include the activities undertaken in pursuance of normal course of business of a company.
3. The Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for corporate social responsibility.

\*\*\*\*\*END OF POLICY\*\*\*\*\*