PROACTIVE DATA SYSTEMS PRIVATE LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

[Corporate Social Responsibility Policy proposed by the Corporate Social Responsibility Committee of Proactive Data Systems Private Limited and approved by the Board of Proactive Data Systems Private Limited. The policy may be updated or modified in case of any new compliance requirements or as desired by the Board of Proactive Data Systems Private Limited]



Introduction

(1) The Ministry of Corporate Affairs (MCA) has notified Section 135 and Schedule VII of the Companies Act, 2013 (hereinafter referred to as 'Act') along with the Companies (Corporate Social Responsibility Policy) Rules 2014 (hereinafter referred to as 'CSR Rules') which came into effect from April 1, 2014.

(2) The CSR policy of Proactive Data Systems Private Limited has been prepared pursuant to the Section 135 of the Act and the CSR Rules. The CSR policy would serve as the referral document for all CSR related activities of Proactive Data Systems Private Limited.

Our CSR Vision & Objectives

The new Companies Act, 2013 (herein after referred to as 'the Act'), has introduced the idea of CSR to the forefront and through its "Comply or Explain" mandate. It mandates qualifying companies to constitute Corporate Social Responsibility Committee to effectively monitor CSR activities of the Company. Further, the Companies (CSR Policy) Rules, 2014 along with Companies (CSR Policy) Amendment Rules, 2015 and 2016 lay down the framework modalities of carrying out CSR activities which are specified in Schedule VII of the Act.

The main object of the CSR Policy is to lay down guidelines for the Company to make CSR as one of the key focus areas to adhere to strategy that focuses on making a positive contribution to society through high impact, sustainable programs. The policy covers current as well as proposed CSR activities to be undertaken by the Company and examining their alignment with Schedule VII of the Act as amended from time to time. It covers the CSR activities which are being carried out in India and includes strategy that defines plans for future CSR activities.

This policy has been adopted by the Board of Directors as its meeting September 28th, 2018.

The Board may, upon recommendation of the CSR committee, amend or modify this CSR Policy as when necessary.

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Our CSR Mission

Ensuring socio-economic development of the community through different participatory and need- based initiatives in the best interest of the poor and deprived sections of the society so as to help them to become **SELF-RELIANT** and build a better tomorrow for themselves. Ensuring environmental sustainability through ecological conservation and regeneration, protection & re growth of endangered plant species, and promoting biodiversity.

Applicability

This CSR Policy is applicable to Proactive Data Systems Private Limited, which are mandated with the CSR expenditure obligations as per Sec. 135 of the Companies Act, 2013 read with the Companies (CSR Policy) Rules, 2014, as amended from time to time.

A. Schedule VII of Act as amended from time to time

- Eradicating hunger, poverty and malnutrition;
- Promoting health care, including preventive health care;
- Sanitation, including contribution to the Swachh Bharat Kosh;
- Making available safe drinking water;
- Promoting education, including special education and employment-enhancing vocation skills;
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; and old age homes, day-care Centre, etc., for senior citizens;
- Ensuring environmental sustainability, by ecological balance and protection of flora and faun, animal welfare and agro-forestry;
- Protection of national heritage, art, and culture;
- Measures for the benefit of armed forces veterans, war widows and their dependents;
- Training to promote rural sports, nationally-recognized sports, Paralympic sports and Olympic sports;
- Contribution to the Prime Minister's National Relief Fund or any other specified fund;
- Contribution to technology incubators in approved academic institutions;
- Rural development projects; and
- Slum area development.

B. Our CSR Activities

The CSR activities we pursue will be in line with our stated Vision and Mission, focused not just around our plants and offices, but also in other geographies based on the needs of the communities.

The **focus areas** where special Community Development Programmes would be run are:

1. **Eradicating hunger, poverty and malnutrition**
   - Provision of food, nutrition supplement, clothes etc. for the poor, children and other deprived sections of the society.
   - Supporting nutrition in anganwadi centers and building capacities of anganwadi workers to this effect.
   - Provision of shelter for homeless.
   - Promoting sanitation, making available safe drinking water.
   - Supplementing of Govt. schemes like mid-day meal by corporates through additional nutrition.

2. **Promoting Health care including Preventive Health care** through awareness programmes, health check-ups, provision of medicine & treatment facilities, providing pre-natal & post-natal healthcare facilities, prevention of female feticide through awareness creation, program for preventing diseases and building immunity. Provisions for aids and appliances to the differently-able persons. Trauma care around highways in case of road accidents.

3. **Ensuring environmental sustainability** and ecological balance through :
   - Plantation drives in schools, villages, our manufacturing units & offices/business premises and other areas in general;
   - Reviving endangered plants, promoting agro-forestry;
   - Protection of flora & fauna;
   - conservation of natural resources
   - Maintaining quality of soil, air & water.
   - Adoption of wastelands to cultivate plants;
   - Promoting biodiversity;

- Animal welfare and veterinary services.
- Technical support and Knowhow for improving farming and building capacities of small farmers.
- Promoting alternate energy resources.
- Doing our own research on the field for individual crops to find out the most cost optimum and Agri – ecological sustainable farm practices. (Applied research) with a focus on water management.
- To do Product Life Cycle analysis from the soil conservation point of view.
- Renewable energy projects.

4. **Employment and livelihood enhancing vocational skills and projects** including tailoring, beautician, mehndi application, bee keeping, food processing and preservation, vermi-composting and other Life Skill Training and livelihood enhancement projects. Capacity building for farmers covering best sustainable farm management practices and Training Agriculture Labour on skill development.

In addition, the Company has identified the following areas for Community Development interventions:

5. **Promotion of education** especially among children, women, elderly and the differently abled including:
   - Non-formal education programmes.
   - Supporting schools with infrastructure like benches, toilets, potable water, fans etc.
   - Supporting other educational institutions.
   - Improving educational facilities in general.
   - Supporting children for higher education.
   - Providing effective consumer grievance redressal mechanism.
   - Protecting consumer's health and safety, sustainable consumption, consumer service, support and complaint resolution.
   - Consumer Protection Activities
   - all consumer protection Programmes and activities on the same line as Rural Development, Education etc.
   - Donations to IIM [A] for conservation of buildings and renovation of classrooms.
   - Promotion of Road Safety:

(a) Promotions of Education, "Educating the Masses and Promotion of Road Safety awareness in all facets of road usage,

(b) Drivers' training,

(c) Training to enforcement personnel,

(d) Safety traffic engineering and awareness through print, audio and visual media

(e) Social Business Projects: "giving medical and Legal aid, treatment to road accident victims should be included.

6. **Promoting gender equality and empowering women** including:

- Adult literacy for women.
- Promoting and providing credit support to women's self-help and joint liability groups.
- Training in vocations pursued by women.
- Setting up homes for women & orphans;
- Setting up old-age homes & other facilities for senior citizens
- Setting up hostels for working and student women, day care centers for kids of working women
- Dowryless marriage
- Widow remarriage

7. Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government.

8. Rural Development Projects.

9. Other Activities

- Promotion of Sports with special focus on training for rural sports, nationally recognised sports, Paralympic sports, Olympic sports.
- Welfare for differently disabled persons
- Setting up public libraries
- Reducing inequalities faced by the socially and economically backward groups

- Protection of national heritage, art, culture and handicraft; Restoration of Buildings & sites of historical importance & works of art.
- Welfare of armed forces personnel, war widows and their dependents

10. Incidental Activities.
    - Employing people and incurring other costs to carry out aforesaid activities.

11. Such other activities as the Board may consider to be appropriate.

C. Exclusion from Corporate Social Responsibility Activities

The following activities shall not form part of the CSR Activities of the Company:

1) The activities undertaken in pursuance of normal course of business of a company.
2) CSR projects/programs or activities that benefit only the employees of the Company and their families.
3) Any contribution directly/indirectly to political party or any funds directed towards political parties or political causes.
4) Any CSR projects/programs or activities undertaken outside India.

Definitions

a) **"Act"** means Companies Act, 2013, as amended and modified from time to time.
b) **"CSR Rules"** mean the Companies (Corporate Social Responsibility) Rules, 2014, as amended and modified from time to time.
c) **"Areas of Interest"** mean the areas as identified by the Company for implementing CSR goals and shall include the areas specified in this CSR Policy and shall include all CSR Activities as defined under the Act and CSR Rules from time to time.
d) **"Board"** means Board of Directors of the Company.
e) **"Company"** includes the following: Proactive Data Systems Private Limited
f) **"Corporate Social Responsibility (CSR)"** means and includes but is not limited to:
    - Projects or programs relating to activities specified in Schedule VII to the Companies Act, 2013; or

- Projects or programs relating to activities undertaken by the Board of Directors of the Company in pursuance of the recommendation of the CSR Committee and approved by the Board as per this policy.

g) **"CSR Committee"** means Corporate Social Responsibility Committee constituted by the Board pursuant to section 135 of the Companies Act, 2013.

h) **"Net Profit"** means the net profit of the Company as per its financial statement prepared in accordance with the provisions of the Companies Act, 2013.

Financial Resources

Every financial year, Proactive Data Systems Private Limited shall with the approval of its Board of Directors make a budgetary allocation for CSR activities. In line with the provisions of the Act and the CSR Rules, the budgetary allocation will be at least 2% of the average net profits of Proactive Data Systems Private Limited made during the three immediately preceding financial years. The surplus arising out of CSR activities shall not form part of the business profit of Proactive Data Systems Private Limited.

Constitution, Composition & Scope of CSR Committee

1. **Constitution and Composition**

The CSR initiatives/activities of the Company will be identified and initiated by the CSR Committee comprising of 3 (three) Members of the Board. The members of the CSR Committee shall elect one of them as the Chairman of the Committee. The CSR Committee shall recommend to the Board the amount of expenditure to be incurred by the Company on CSR activities and the Board will ensure that the activities as are included in the CSR Policy are undertaken by the Company subject to and in accordance with the provisions of section 135 of the Companies Act, 2013.

The composition of the CSR Committee is as follows:

S. No.	Name	Designation	Membership
1	Mrs. Sangeeta Kumar Mathur	Director	Chairman & Member
2	Mr. Rajiv Kumar	Director	Member
3	Mr. Keshav Kumar	Director	Member

2. **Invitees to the CSR Committee**

The CSR Committee may, at its discretion, invite employees of the Company from time to time to participate in the meetings of the CSR Committee and assist the Committee in the implementation of the CSR Policy. Invitees to the CSR Committee meetings shall be entitled to participate in the deliberations of the CSR Committee but will not be entitled to vote at the meetings of the CSR Committee.

3. **Scope of CSR Committee**

The CSR Committee has been set up to:

a) Formulate and recommend to the Board the CSR Policy which shall indicate the activities to be undertaken by the Company.

b) Recommend the amount of expenditure to be incurred on the activities referred to in the CSR Policy.

c) Monitor the CSR Policy from time to time.

4. **Decisions of CSR Committee**

a) The CSR Committee shall act in the manner that is consistent with the provisions contained in this CSR Policy, the Act and the rules.

b) The CSR Committee shall arrive at all decisions by consensus of all members of the committee. However, in the event the CSR Committee is unable to arrive at such consensus, the Chairman of the Committee may take the final decision.

c) All decisions of the CSR Committee shall be ratified by the Board.

Meetings of the CSR Committee

a) The CSR Committee shall meet as frequently as it determines necessary but at least thrice annually.

b) Members of the CSR Committee can agree upon mutually regarding time and place for the said meetings.

c) Minutes of CSR Committee shall be placed before the Board for noting.

5. **Implementation & Resources for the Corporate Social Responsibility Activities**

1) For achieving CSR initiatives and activities through implementation of meaningful and sustainable CSR programs, the Company needs to allocate in every financial year, at least two percent of the average net profits of the Company made during three immediately preceding financial years.

2) The surplus arising out of the CSR projects/programs or activities shall not form part of the business profit of the Company.

3) The CSR committee may identify or collaborate with external organizations and/or entities as may be approved by CSR Committee to implement CSR activities. The Company may form trusts on its own to carry out CSR activities in accordance with the CSR Rules and to administer its CSR activities. The Company may also collaborate with its subsidiaries or any other Company as may be eligible and approved by the CSR Committee and the Board.

6. Annual Corporate Social Responsibility Plan

The annual CSR Plan is the yearly plan of CSR activities that would be placed before the Board based on the recommendation of the CSR Committee. CSR Committee shall prepare reports that are required to be placed before the Board.

7. Monitoring

The CSR department will provide regular progress report to the CSR Committee of the Board. This report would indicate:

1. Achievement since last progress report / during the last quarter in terms of coverage compared to the target and reasons for variance.
2. Achievement of the year-to-date in terms of coverage compared to the target, plans to overcome shortfalls if any and support required from the CSR Committee/Board to overcome the shortfalls.
3. Actual year-to-date spends compared to the budget and reasons for variance.
4. In respect of activities undertaken through outside Trust/Society/NGO's etc. there will be mechanism of monthly reporting of progress on each such activities and the amount incurred thereon.
5. Any or all provisions of this CSR policy may be amended by the Board based on the recommendations of the CSR Committee or in accordance with any statutory guidelines that may be issued from time to time.

The Board shall seek a short progress report from the CSR Committee on a quarterly basis.



8. **Reporting & Disclosure**

Annual Reporting

The Board's report of Proactive Data Systems Private Limited for every financial year shall include a report on CSR containing particulars specified by law.

By the order of the Board

For PROACTIVE DATA SYSTEMS PRIVATE LIMITED

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