

Corporate Social Responsibility Policy

Objective:

This document outlines the vision of PDS Limited (“the Company”/ “PDS”), India towards Corporate Social Responsibility (“CSR”), in accordance with Section 135 of the Companies Act, 2013 and the Rules prescribed thereunder and such other statutory and regulatory laws, as applicable, as defined hereinafter (collectively referred as “Applicable Laws”).

Scope & Applicability:

The CSR Policy is applicable to PDS Limited.

Definitions/Key Terms:

- **Act** - Means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- **Company** – Means PDS Limited.
- **Board** - Means Board of Directors of the Company.
- **Directors** - Mean Directors of the Company.
- **CSR Activities** - Means the projects and / or programs undertaken by the Company either directly or indirectly pursuant to Applicable Laws in accordance with this CSR Policy.
- **Rules** - Companies (Corporate Social Responsibility Policy) Rules, 2014, or any other rules prescribed under section 135 of the Act and pertaining to corporate social responsibility, as may be amended and prescribed, from time to time.
- **Implementation Agencies** –Any other trust, society or company or any entity established under an Act of parliament or a state legislature or any other agency which is eligible to undertake CSR Activities, on behalf of the Company in compliance with the Applicable Laws.
- **CSR Committee** – A Committee duly constituted by the Board pursuant to provisions of Section 135 of the Act.

Roles & Responsibilities:

CSR Committee:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of Companies Act, 2013.
- To recommend the amount of expenditure to be incurred on the CSR activities.
- To monitor the implementation of the CSR Policy of the Company from time to time.

- To take all necessary actions as may be necessary or desirable and also to settle any question or difficulty or doubts that may arise with regards to Corporate Social Responsibility activities/Policy of the Company.
- Should review the progress on Annual Action Plan not less than twice in a year.

Monitoring of CSR Activities:-

- Under the overall supervision of the Board and the CSR Committee, the Implementation Agency (in case, the CSR Activities are undertaken by any other Implementation Agency), shall be responsible to monitor the CSR Activities. The Implementation Agency shall devise a robust monitoring mechanism to ensure that the CSR Activities are undertaken effectively in accordance with approved Annual Action Plans in compliance with the Applicable Laws and the provisions of this Policy.
- The CSR Activities will be effectively and objectively monitored using appropriate monitoring tools that may include one or more of the third-party audit(s), self-assessment report(s), field visit(s), periodical review(s) or any other appropriate mechanism.
- The Board shall review the status of implementation and fund utilization of the various projects and programmes as per approved Annual Action Plan at least once in a year.
- For the Board to satisfy itself that disbursed CSR funds have been utilized for its intended use, it can rely on the certificate issued by the head / authorised representative of the Implementation Agency.

Procedures/Implementation:

The Company shall follow the following guiding principles for selection, implementation and monitoring of CSR Activities as well as formulation of the Annual Action Plan:

- i. The Company shall undertake only such CSR Activities, as are identified as Focus Areas under this Policy and as are permitted under the Applicable Laws.
- ii. The Company shall also consider international, national, or state level priorities/objectives, while identifying CSR Activities.
- iii. The Company shall not discriminate against the beneficiaries of the CSR Activities, on any grounds whatsoever, including race, gender, age, ethnicity, caste, religion, domicile, but may focus its CSR Activities to benefit the economically or socially weaker, or marginalized sections, of the society.
- iv. The Company shall endeavour utmost transparency in selection, implementation, monitoring and reporting of CSR Activities.
- v. The Company shall ensure that all CSR Activities undertaken directly or indirectly, meet applicable standards of quality followed by Company and/or are the market standard for such activities.
- vi. The Company shall either undertake the project directly or through Implementation Agency and shall to its best of its ability also ensure that the partners or vendors selected by the Company or the Implementation Agency, satisfy the criterion specified by the Rules

- (if any) and have relevant experience, good credentials, no criminal track record, and follow the ethical standards which are at par with the Company's Code of Conduct.
- vii. The Company may engage International Organizations (as defined in Clause 2(g) of the Rules) for designing, monitoring, and evaluation of CSR Projects as well as capacity building of their personnel.
- viii. The Company may also collaborate with other companies to undertake CSR projects, provided the CSR Committees of the respective companies are able to report separately on such projects
- ix. The Company shall ensure that all the CSR Activities are implemented as per the approved Annual Action Plan, authorized by the Board.

Annual report on CSR Activities shall be included in the Board's Report forming part of Company's Annual Report.

The CSR Policy of the Company shall be uploaded on the Company's website for information of all stakeholders.

Compliance & Consequences:

- i. The CSR Activities to be undertaken by the Company under the Policy shall be approved by way of Annual Action Plan by the Board on the recommendation of the CSR Committee.
- ii. The amount of such expenditure shall not be less than 2% of its average Net profit as defined under the Rules during the three immediately preceding financial years on the CSR
- iii. The Annual Action Plan shall, inter alia, contain the following information with respect to the CSR Activity proposed to be undertaken by the Company:
- list of CSR Activities to be undertaken in the relevant financial year;
 - manner of execution;
 - modalities of utilization of funds;
 - implementation schedule;
 - monitoring and reporting mechanism; and
 - details of need and impact assessment, if any.
- iv. The Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.
- v. The Company shall not consider any administrative expenses, except the cost of Impact Assessment, in meeting its CSR obligation, provided that, such costs shall not exceed the cap for such impact assessments, prescribed under Applicable Laws.
- vi. Any amount remaining unspent at the end of the financial year, if any, except in case of an ongoing project, shall be transferred to a Fund to be specified in Schedule VII for this purpose, within a period of six months of the expiry of the relevant financial year.
- vii. In case the Company undertakes any ongoing project, any amount remaining unspent and earmarked for the ongoing project, shall be transferred within a period of thirty days from the end of the financial year to a special account to be opened for that financial year in

any scheduled bank to be called the 'Unspent Corporate Social Responsibility Account', and such amount shall be spent within a period of three financial years from the date of such transfer, failing which, the unspent amount shall be transferred to the Fund to specified in Schedule VII for this purpose, within a period of thirty days from the date of completion of the third financial year.

- viii. Any surplus arising out of CSR projects, programmes or activities shall not form part of the business profits of the Company and shall be utilized towards the eligible CSR Activities / addressed in accordance with Applicable Laws.

Activities Under Corporate Social Responsibility:

The Company would endeavor to adopt an integrated approach to address the community, societal & environmental concerns by taking up projects or programs relating to the following activities:

- i. eradicating hunger, poverty, malnutrition; promoting health care including preventive health care and sanitation and making available safe drinking water.
- ii. promoting education, including special education or employment enhancing vocational skills, especially among children, women, elderly, and the differently abled and livelihood enhancement projects.
- iii. ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.
- iv. Contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the central government or any state government for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women.
- v. (a) contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and (b) contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- vi. rural development projects.
- vii. disaster management, including relief rehabilitation and reconstruction.
- viii. any activities or subjects specified in Schedule VII of the Act.

In case of unsatisfactory finding on any of the CSR Activity, the Implementation Agency shall immediately inform the CSR Committee and shall also take appropriate action against the errant party in accordance with Applicable Laws.

Related Documents/References:

This Policy should be read in conjunction with the following documents:

- The Companies Act 2013.
- The Companies (CSR Policy) Rules, 2014 and other applicable rules prescribed thereunder.
- Schedule VII of the Companies Act, 2013.
- Company's Code of Conduct.

Ownership and Review:

Ownership: This Policy shall be owned and administered by the Board of Directors of the Company through CSR Committee.

Review: This Policy may be reviewed and amended periodically as and when required by the Board to ensure that it meets the objectives of the relevant legislation and needs of the Company and remains effective. The Board has the right to change/ amend the policy as may be expedient taking into account the law for the time being in force. In the event of any amendment(s), clarification(s), circular(s), provision(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then the same shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly.

Further, in the event of any conflict between the provisions of this Policy and the Companies Act, 2013 or any other statutory enactments or Rules, the provisions of Companies Act, 2013 or statutory enactments or rules made thereto shall prevail over this Policy.

Version History:

Version No.	Approved on	Created by	Approved by
1.	May 27, 2021	Secretarial Team	Board of Directors