

**PRODOCS SOLUTIONS LIMITED**  
Corporate Identity Number: U72900MH2019PLC322408

**CORPORATE GOVERNANCE POLICY**



The provisions of the SEBI Listing Regulations and the Companies Act with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares on the Stock Exchange.

We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of our Board and Committees thereof. Our corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

Our Board is constituted in compliance with the provisions of the Companies Act and the SEBI Listing Regulations and our Company undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act. Our Board functions either directly, or through various committees constituted to oversee specific operational areas.

As on date of this policy, our Board has 5 Directors, comprising one Managing Director, Two Non-Executive-Non Independent Directors, and 2 Independent Directors. We have 1 Woman Director on our Board amongst these.

### Committees of our Board

We have constituted the following committees of our Board of Directors for compliance with Corporate Governance requirements:

1. Audit Committee
2. Stakeholder's Relationship Committee
3. Nomination and Remuneration Committee

#### 1. Audit Committee:

The Audit Committee of our Board was re-constituted by our Directors by a board resolution dated 18<sup>th</sup> December, 2024 pursuant to section 177 of the Companies Act, 2013. The Audit Committee comprises of:

Name of the Member	Nature of Directorship	Designation in Committee
Mr. Shashin Koradia	Non-Executive Independent Director	Chairperson
Mr. Hasmukh Mehta	Non-Executive Independent Director	Member
Mrs. Nidhi Sheth	Managing Director (Executive)	Member

The Company Secretary of our Company shall act as secretary to the Audit Committee.

The terms of reference of the Audit Committee are as under:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors
4. formulation of a policy on related party transactions, which shall include materiality of related party transactions;
5. reviewing, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
6. examining and reviewing, with the management, the financial statements before submission to the board for approval, with particular reference to:
  - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - ii. Changes, if any, in accounting policies and practices and reasons for the same;
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
  - iv. Significant adjustments made in the financial statements arising out of audit findings;
  - v. Compliance with listing and other legal requirements relating to financial statements;
  - vi. Disclosure of any related party transactions;
  - vii. Qualifications in the draft audit report.
7. Reviewing, with the management, quarterly, half yearly and annual financial statements before submission to the board for approval.
8. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the Issue document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
9. Review and monitor the auditor's independence, performance and effectiveness of audit process.
10. Approval or any subsequent modification of transactions of the company with related parties which includes omnibus approval for related parties transactions subject to conditions as specified under rules;
11. Scrutiny of inter-corporate loans and investments;
12. Valuation of undertakings or assets of the company, wherever it is necessary;
13. Evaluation of internal financial controls and risk management systems;
14. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
15. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
16. Discussion with internal auditors any significant findings and follow up there on.



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17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
18. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
19. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
20. To oversee and review the functioning of the vigil mechanism which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases.
21. Call for comments of the auditors about internal control systems, scope of audit including the observations of the auditor and review of the financial statements before submission to the Board;
22. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
23. To investigate any other matters referred to by the Board of Directors;
24. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**The Audit Committee shall mandatorily review the following information:**

- a. Management discussion and analysis of financial information and results of operations;
- b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.
- f. Statement of deviations in terms of the SEBI Listing Regulations:
  - i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) where the Equity Shares are proposed to be listed in terms of Regulation 32(1) of the SEBI Listing Regulations; and
  - ii. annual statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice in terms of Regulation 32(7) of the SEBI Listing Regulations.

**Meeting of Audit Committee:**

The Audit Committee shall meet often as and when necessary subject to the minimum number and frequency prescribed under any law or any authority and shall report to the Board of Directors on the status of various activities undertaken by it in line with the roles and

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responsibility assigned to it by the Board. The Quorum for the committee meeting shall be the presence of any 2 (Two) of the members

## 2. Stakeholders Relationship Committee

The Stakeholders Relationship Committee of our Board were re-constituted by our Directors pursuant to section 178 (5) of the Companies Act, 2013 by a board resolution dated 18<sup>th</sup> December, 2024. The Shareholder and Investor Grievance Committee comprises of:

Name of the Member	Nature of Directorship	Designation in Committee
Mr. Abhay Kapashi	Non-Executive Non Independent Director	Chairperson
Mrs. Nidhi Sheth	Managing Director (Executive)	Member
Mr. Hasmukh Mehta	Non-Executive Independent Director	Member

**This Committee will address all grievances of Shareholders/Investors and its terms of reference include the following:**

- i. Considering and specifically looking into various aspects of interest of shareholders, debenture holders and other security holders;
- ii. Resolving the grievances of the security holders of the listed entity including complaints related to transfer / transmission of shares or debentures, including non-receipt of share or debenture certificates and review of cases for refusal of transfer / transmission of shares and debentures, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;
- iii. Review of measures taken for effective exercise of voting rights by members;
- iv. Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- v. Giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
- vi. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the registrar and share transfer agent of the Company and to recommend measures for overall improvement in the quality of investor services;
- vii. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the members of the company; and
- viii. Carrying out such other functions as may be specified by the Board from time to time or specified / provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority.

The Committee shall meet at least once in a year.

the company Secretary of our Company shall act as the Secretary to the Committee.



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### Quorum and Meetings:

the Stakeholder Relationship Committee shall meet often as and when necessary subject to the minimum number and frequency prescribed under any law or any authority and shall report to the Board of Directors on the status of various activities undertaken by it in line with the roles and responsibility assigned to it by the Board.

The Quorum for the committee meeting shall be the presence of any 2 (Two) of the members.

### 3. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of our Board was re-constituted by our Directors pursuant to section 178 of the Companies Act, 2013 by a board resolution dated 18<sup>th</sup> December, 2024.

The Nomination and Remuneration Committee currently comprises of:

Name of the Member	Nature of Directorship	Designation in Committee
Mr. Hasmukh Mehta	Non-Executive Independent Director	Chairperson
Mr. Shashin Koradia	Non-Executive Independent Director	Member
Mr. Abhay Kapashi	Non-Executive Non-Independent Director	Member

### The terms of reference of the "Nomination & Remuneration Committee" are as under:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the level and composition of remuneration of the directors, key managerial personnel, senior management and other employees;
2. Formulation of criteria for evaluation of independent directors and the Board;
3. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
4. Devising a policy on Board diversity; and
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
6. Analysing, monitoring and reviewing various human resource and compensation matters
7. Deciding whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
8. Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

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9. Recommending to the board, all remuneration, in whatever form, payable to senior management and other staff, as deemed necessary;
10. Reviewing and approving the Company's compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
11. Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, if applicable;
12. Frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:
  - a. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
  - b. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, by the trust, the Company and its employees, as applicable.
13. Administering monitoring and formulating detailed terms and conditions the employee stock option scheme/ plan approved by the Board and the members of the Company in accordance with the terms of such scheme/ plan ("ESOP Scheme"), if any;
14. Construing and interpreting the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/ or rescinding rules and regulations relating to the administration of the ESOP Scheme;
15. Perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or by any other applicable law or regulatory authority.
16. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.
17. Carrying out any other functions required to be carried out by the Nomination and Remuneration Committee as contained in the SEBI Listing Regulations or any other applicable law, as and when amended from time to time.

#### **Quorum and Meetings:**

The Nomination and Remuneration Committee shall meet often as and when necessary subject



to the minimum number and frequency prescribed under any law or any authority and shall report to the Board of Directors on the status of various activities undertaken by it in line with the roles and responsibility assigned to it by the Board. The Committee is required to meet at least once a year. The Quorum for the committee meeting shall be the presence of any 2 (Two) of the members.

The Company Secretary of our Company shall act as the Secretary to the Committee.

Nidhi.P. Shett

