

**POLYCAB**

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POLYCAB INDIA LIMITED

COMMITTEES OF THE BOARD

## AUDIT COMMITTEE

### □ Composition

1. Mr. T. P. Ostwal (NID<sup>#</sup>) - Chairman
2. Mrs. Sutapa Banerjee (NID<sup>#</sup>) - Member
3. Mrs. Manju Agarwal (NID<sup>#</sup>) - Member
4. Mr. Bhaskar Sharma (NID<sup>#</sup>) - Member
5. Mr. Sumit Malhotra (NID<sup>#</sup>) - Member

### □ Terms of Reference

1. Oversight of financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
2. Recommending to the Board the appointment, remuneration and terms of appointment of the statutory auditors of the Company;
3. Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
4. Approving payments to statutory auditors for any other services rendered by the statutory auditors;
5. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - (a) 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;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements;
  - (f) Disclosure of any related party transactions;
  - (g) Modified opinion(s) in the draft audit report; and
  - (h) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer 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. This also includes monitoring the use/application of the funds raised through the proposed initial public offer by the Company;
7. Approval or any subsequent modifications of transactions of the Company with related parties;
8. Scrutinising of inter-corporate loans and investments;
9. Valuation of undertakings or assets of the Company, wherever it is necessary;
10. Evaluating of internal financial controls and risk management systems;
11. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
12. Reviewing, with the management, the performance of statutory and

- internal auditors, and adequacy of the internal control systems;
13. 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;
  14. Discussing with internal auditors on any significant findings and follow up there on;
  15. 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;
  16. Discussing 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;
  17. Looking 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;
  18. Reviewing the functioning of the whistle blower mechanism;
  19. Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;
  20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act or the Listing Regulations or by any other regulatory authority;
  21. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
  22. Recommending to the Board the appointment / remuneration of the Cost Auditors; (\*);
  23. Approving the payments of Cost Auditors towards other services rendered by them. (\*); and
  24. consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders (\$).

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**NOTE:**

1. (\*) Approved by Board of Directors in its meeting held on 23<sup>rd</sup> January 2021.
2. (\$) Approved by Board of Directors in its meeting held on 13<sup>th</sup> May 2021.

**The powers of the Audit Committee include the following:**

- i. To investigate any activity within its terms of reference;
- ii. To seek information from any employee;
- iii. To obtain outside legal or other professional advice; and
- iv. To secure attendance of outsiders with relevant expertise, if it considers necessary.

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

- i. management discussion and analysis of financial condition and results of operations;
- ii. statement of significant related party transactions (as defined by the audit committee), submitted by management;
- iii. management letters / letters of internal control weaknesses issued by the statutory auditors;
- iv. internal audit reports relating to internal control weaknesses;
- v. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
- vi. statement of deviations:
  - a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

## **NOMINATION AND REMUNERATION COMMITTEE**

### **□ Composition**

1. Mr. T. P. Ostwal (NID<sup>#</sup>) - Chairman
2. Mrs. Sutapa Banerjee (NID<sup>#</sup>) - Member
3. Mrs. Manju Agarwal (NID<sup>#</sup>) - Member
4. Mr. Bhaskar Sharma (NID<sup>#</sup>) - Member

### **□ Terms of reference**

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulating of criteria for evaluation of the performance of the independent directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every director's performance;
5. Determining 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;
6. Analysing, monitoring and reviewing various human resource and compensation matters;
7. 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;
8. Determining compensation levels payable to the senior management personnel (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
9. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
10. Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended; and
11. Performing such other activities as may be delegated by the Board and/or specified/provided under the Companies Act or the Listing Regulations, or by any other regulatory authority.

## **STAKEHOLDERS RELATIONSHIP COMMITTEE**

### **□ Composition**

1. Mrs. Manju Agarwal (NID<sup>#</sup>) - Chairperson
2. Mr. Bharat A. Jaisinghani (NED<sup>#</sup>) - Member
3. Mr. Nikhil Jaisinghani (NED<sup>#</sup>) - Member
4. Mr. T. P. Ostwal (NID<sup>#</sup>) - Member
5. Mr. Sumit Malhotra (NID<sup>#</sup>) - Member

### **□ Terms of Reference**

1. Consider and resolve grievances of security holders of the Company, including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends to the satisfaction of the security holders(@);
2. Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
3. Issue of duplicate certificates and new certificates on split / consolidation / renewal;
4. Carrying out any other function as may be decided by the Board or prescribed under the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, or by any other regulatory authority;
5. \*Review of adherence to the service standards adopted by the Company in respect of the working and rendering of various services by the Registrar and Transfer Agents of the Company;
6. Review of measures taken for effective exercise of voting rights by shareholders; and
7. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend.

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@Note: Amended vide obtaining the approval of the Board of Directors at its meeting held on 22<sup>nd</sup> October 2021.

## **CORPORATE SOCIAL RESPONSIBILITY AND ESG COMMITTEE**

### **□ Composition**

1. Mr. Inder T. Jaisinghani (CMD<sup>#</sup>) - Chairman
2. Mrs. Sutapa Banerjee (NID<sup>#</sup>) - Member
3. Mr. Bhaskar Sharma (NID<sup>#</sup>) - Member
4. Mrs. Manju Agarwal (NID<sup>#</sup>) - Member
5. Mr. Sumit Malhotra (NID<sup>#</sup>) - Member
6. Mr. Vijay Pandey (NED<sup>#</sup>) - Member

### **□ Terms of Reference**

1. To formulate and recommend to the Board of Directors, the CSR Policy, indicating the CSR activities to be undertaken as specified in Schedule VII of the Companies Act, 2013;
2. To recommend the amount of expenditure to be incurred on the CSR activities;
3. To monitor the CSR Policy and its implementation by the Company from time to time;
4. To perform such other functions or responsibilities and exercise such other powers as may be conferred upon the CSR & ESG Committee in terms of the provisions of Section 135 of the Companies Act, 2013 and the rules framed thereunder;
5. Recommend ESG vision and goals on an ongoing basis(%);
6. Monitoring the progress against the stated vision and goals(%); and
7. Reviewing any statutory performance obligations on Sustainability / ESG(%). The purpose and responsibilities of the Committee shall include such other items/matters prescribed under applicable law or prescribed by the Board in compliance with applicable law from time to time.

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<sup>%</sup>Note: Amended vide obtaining the approval of the Board of Directors at its meeting held on 12<sup>th</sup> May 2023.

## **RISK MANAGEMENT COMMITTEE**

### **□ Composition**

1. Mrs. Sutapa Banerjee (NID<sup>#</sup>) – Chairperson
2. Mr. Inder T. Jaisinghani (CMD<sup>#</sup>) - Member
3. Mr. Bharat A. Jaisinghani (NED<sup>#</sup>) - Member
4. Mr. Nikhil R. Jaisinghani (NED<sup>#</sup>) – Member
5. Mr. T. P. Ostwal (NID<sup>#</sup>) - Member
6. Mr. Bhaskar Sharma (NID<sup>#</sup>) - Member
7. Mr. Sumit Malhotra (NID<sup>#</sup>) – Member

### **□ Terms of Reference**

1. managing and monitoring the implementation of action plans developed to address material business risks within the Company and its business units, and regularly reviewing the progress of action plans;
2. setting up internal processes and systems to control the implementation of action plans;
3. regularly monitoring and evaluating the performance of management in managing risk;
4. providing management and employees with the necessary tools and resources to identify and manage risks;
5. regularly reviewing and updating the current list of material business risks;
6. regularly reporting to the Board on the status of material business risks;
7. ensuring compliance with regulatory requirements and best practices with respect to risk management;
8. evaluate risks related to cyber security and ensure appropriate procedures are placed to mitigate these risks in a timely manner;
9. access to any internal information necessary to fulfil its oversight role;
10. authority to obtain advice and assistance from internal or external legal, accounting or other advisors; and
11. periodically review the risk management processes and practices of the Company and ensure that the Company is taking the appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities.

### **The role of Risk Management Committee are as follows:**

1. formulating a detailed risk management policy which shall include:
  - a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
  - b) Measures for risk mitigation including systems and processes for internal control of identified risks; and
  - c) Business continuity plan;
2. ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
3. monitoring and overseeing the implementation of the risk management policy including evaluating adequacy of risk management systems;



4. periodically reviewing the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
5. regularly reporting to the Board about the nature and content of its discussions, recommendations and actions to be taken; and
6. coordinate its activities with the other Committees in instances where there is any overlap with activities of such other committee, as per the framework laid down by the Board.

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**Note:**

#NID – Independent, Non-Executive Director;  
NED – Executive, Non-Independent Director;  
CMD – Chairman and Managing Director.