



Connection Zindagi Ka

POLYCAB INDIA LIMITED

CORPORATE SOCIAL RESPONSIBILITY ('CSR') POLICY

POLYCAB INDIA LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. **Background**

- a) Polycab India Limited ('PIL') is India's No. 1 wires and cables Company with a glorious track record of over 4 decades.
- b) In line with the Regulatory expectations, we are putting in place a formal policy as a guide towards our social commitment going forward.

2. **Title and Applicability**

- a) PIL has developed this Policy encompassing its philosophy for being a responsible Corporate House. This policy lays down the principles and mechanisms for undertaking various programs in accordance with Section 135 of the Companies Act, 2013 along with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII, for the benefit of the community at large.
- b) The Policy shall guide the CSR Projects, Programs or Activities undertaken by PIL in the communities in which it operates.

3. **CSR Vision Statement**

To help people achieve their ambitions by playing a broader role in society through community investments beyond what we deliver through core business activities. By aligning our community investment strategy to our skills and experience, the positive impact of which will be much more than just a financial contribution.

4. **Review of CSR Policy**

The Board may review the CSR policy and make necessary amendments, as and when required.

5. **CSR Programs Objectives & Areas**

The Objectives of the CSR Policy is to lay down the guiding principles in undertaking various Projects, Programs or Activities by or on behalf of PIL relating to CSR, within the meaning of Section 135 of the Companies Act, 2013, read with Schedule VII of the Act and CSR policy Rules 2014 (Rules). PIL is committed to play a broader role in the communities in which it operates by way of supporting various initiatives through funding and volunteering activities.

In order to achieve its goal, PIL will support the following initiatives by undertaking Projects, Programs or Activities as approved by the Board, on the recommendation of CSR Committee:

a) **Promotion of Health Care & Sanitation**

Improving the health and hygiene of the socially or economically weaker sections, families below poverty line (BPL) by providing free or subsidized medicines, building toilets, clinical laboratory facilities, free or concessional treatments in Hospitals, provide medical equipments, setting up of medical and diagnostic camps, free medical insurance for group of people or families in BPL category, eradicating poverty or malnutrition of women and children.

b) Promotion of education and skill development

Promotion of elementary to professional education and skill development to support the students belonging to weaker sections of the society including SC/ST/OBCs by way of setting up / support schools, colleges, coaching centres, providing libraries, text books and other study materials, vocational training centers and centers for physically challenged students, providing endowments or other forms of recognitions to successful candidates pursuing recognized examinations, scholarships or other forms of education and skill development assistance in this regards.

c) Empowerment of women

Promotion of women empowerment and gender equality. This objective may be achieved through supporting women belonging to socially or financially weaker sections of the society by providing job oriented training programs making them financially independent.

d) Rural and community development

PIL may undertake projects or programs or activities in rural areas and for overall community development.

e) Any other activity as prescribed in Schedule VII of the Companies Act, 2013 as may be amended from time to time.

6. Execution of Projects, Programs or Activities

Execution of Projects, Programs or Activities provided in the policy either on its own initiatives or through any implementation agency. PIL may also acquire the services of experts in respective fields by appointing Consultants for a particular Projects, Programs or Activities. While engaging such consultants for implementing Projects, Programs or Activities, the CSR committee shall ensure that they have credible standing and experience in the respective fields for at least three preceding financial years.

7. CSR Budget

- a) The Board shall endeavor that PIL spends at least 2% of the average net profits made during the immediate three preceding financial years. If PIL spends any amount over 2% of such average net profits then the same is to be considered as excess CSR expenditure which can be set- off in the immediate succeeding three financial years subject to the conditions as prescribed under the Act.
- b) Any surplus arising out of CSR activities will be utilized only for CSR purposes.

8. Implementation process

- a) CSR program will be undertaken and implemented as approved by the Board, on the recommendation of CSR Committee.
- b) The time period / duration over which a particular project or program or activity spreads, will depend on its nature, extent of coverage and the intended impact of such Projects, Programs or Activities.
- c) The mode of implementation will also include employee volunteering. Employees volunteering will involve them in the community initiatives undertaken by PIL, which will help the employees to contribute towards the society.
- d) PIL shall provide necessary resources and human capital for effective implementation and the monitoring of the CSR as may be directed by the CSR committee.

9. Responsibilities

The Board of Directors will be responsible for:

- a) Approval of the CSR Policy.
- b) Disclosing the contents of the Policy in its Board's Report
- c) Placing the Policy on PIL's website in such manner as prescribed under Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. ('CSR Rules').
- d) Ensuring that the Projects, Programs or Activities included in the Policy are undertaken.
- e) Ensuring that PIL spends in every financial year, atleast 2% of the average net profits of PIL made during the three immediately preceding financial years in pursuance of the Policy.
- f) Ensuring that preference is given to the local areas around PIL's operations for spending the amount earmarked for CSR Projects, Programs or Activities.
- g) Ensuring reasons for not spending the amount allocated towards CSR are mentioned in its Board Report, in case it fails to spend such amount.
- h) Approve Annual action plan
- i) Satisfy itself that the CSR funds so have been utilised for the purposes and in the manner as approved by it.
- j) Approve identified projects as "Ongoing Project"
- k) Take note of the findings of the Impact assessment, if applicable, undertaken by third parties for CSR projects

CSR Committee

- a) Formulate and recommend the CSR Policy for approval of the Board.
- b) Monitor the Policy, from time to time, and recommend changes, if any, for Board's approval.
- c) Recommend CSR projects, which are in line with the Projects, Programs or Activities specified in Schedule VII of Section 135 of the Companies Act, 2013, to be undertaken by PIL for approval of the Board.
- d) Recommend the amount of expenditure to be incurred on CSR projects for approval of the Board.
- e) Formulation and recommendation to the Board an Annual Action plan as per the provisions of the Act
- f) Recommendation of any alteration in the Annual Action Plan at any time during the year and update, if any, required to the CSR policy
- g) Identify projects of the Company as "Ongoing Projects" as per the provisions of the Act and recommend the same to the Board
- h) Appoint a third party to undertake Impact assessment, if required, for CSR Projects
- i) insure receipt of certificate from CFO regarding utilization of funds disbursed for the purpose and in manner approved by the Board
- j) Implementation and Monitoring of the CSR activities as per the annual action plan;
- k) Recommend the annual CSR expenditure budget to the Board for approval;
- l) Carry out any other function required under, Companies Act and Listing agreement / Listing Regulations, as amended from time to time or under any statutory obligation or delegated by the Board from time to time

Governance

The CSR Governance structure at PIL comprises the CSR Committee and the Board of Directors of the Company. The Company through a registered trust or a registered society can undertake CSR activities as per the provisions of the Companies Act, 2013. Accordingly, Polycab Social Welfare Foundation (PSWF) or such other entity will work closely with and support the Board and the CSR Committee in implementing CSR activities of the Company. PSWF or such other entity will assist the CSR Committee in identifying the areas of CSR activities, programs and execution of initiatives as per defined guidelines. PSWF or such other entity will also assist the Board and the CSR Committee in reporting the progress of deployed initiatives and in making appropriate disclosures (internal/external) on a periodic basis.

10. Monitoring of CSR activities

CSR committee will be responsible for the monitoring of various CSR Projects, Programs or Activities undertaken by PIL directly or indirectly. The Committee shall ensure that CSR Projects, Programs or Activities:

- a) Are undertaken as provided in the CSR policy.
- b) Are implemented as approved by the Board.
- c) The budget allocated is utilized as per the approved plans.
- d) The objectives are achieved in consonance with this policy.

11. Reporting framework

The details of CSR Progress Monitoring Authorities and the Frequency of Review are given below:

S. No.	CSR Progress Review and Monitoring Authorities	Frequency of Review
1	Board of Directors	Annually
2	CSR Committee	As per the Terms of Reference of the Committee

12. Guiding Principles for formulating the Annual Action Plan

PIL shall prepare an Annual Action plan of the Company to identify the activities and the CSR expenditure to be spent during the year which shall include the details as mentioned in the rules.

Further, the guiding principles required to formulate the Annual Action Plan are as follows:

- (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- (b) the manner of execution of such projects or programmes may be carried out directly or through implementing agencies including but not limited to Polycab Social Welfare Foundation;
- (c) modalities of utilisation of funds and implementation schedules for the projects or programmes;
- (d) monitoring and reporting mechanism for the projects or programmes; and
- (e) details of need and impact assessment, if any, for the projects undertaken by the company;

During any financial year, the Annual Action Plan of the Company may be modified to include any unbudgeted expenditure, either on account of new project(s) or due to increase in the

outlay for approved project(s). 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. Subject to the provisions of the Act, the Company may also utilize its CSR spend towards creation or acquisition of a capital asset.

13. Guiding Principles on Funding, Selection, Implementation and Monitoring of CSR activities

- PIL established Polycab Social Welfare Foundation (PSWF) in 2020 as a not-for-profit organisation aimed at providing a dedicated approach to community development and also to fulfil CSR commitments of Polycab Group. PSWF works towards various social causes including removing malnutrition, improving healthcare and healthcare infrastructure, supporting education, women empowerment, environment, skill development, disaster management. PSWF also partners with non-government organizations (NGOs) to make a difference among local communities.
- The Company, PSWF or such other entity will receive requests for funding of projects. The Company's representatives and/or PSWF will evaluate proposals received and then forward its recommendations to the CSR Committee. The CSR Committee will deliberate on the proposals and approve proposals for implementation at its discretion. The Company's representatives and/or PSWF or such other entity will collaborate with NGOs or others to monitor the status of each project and will report its findings to the CSR Committee periodically.
- PSWF will work closely with and support the Board and the CSR Committee in implementing CSR activities of the Company. PSWF may assist the CSR Committee in identifying the areas of CSR activities, programs and execution of initiatives as per defined guidelines and in reporting the progress of deployed initiatives and in making appropriate disclosures (internal/external) on a periodic basis.
- Impact Assessment – In the event of average CSR obligation of Rs. 10 crores or more in the three immediately preceding financial years, the Company shall ensure that impact assessment through an independent agency is carried out for CSR projects having an outlay of Rs.1.00 crore or more. Expenditure incurred for such assessment shall not exceed 5% of the total CSR expenditure for the financial year or Rs.50 lakh rupees, whichever is less.

14. Conditions and Restrictions

The CSR Committee and the Board of Directors shall be governed by the following conditions and restrictions while undertaking any CSR projects/programmes/activities:

- a) The CSR projects/programmes/activities undertaken by the Company, as per this policy shall exclude activities undertaken in pursuance of its normal business.
- b) The CSR projects/programmes/activities shall be undertaken in India only except for training of Indian sports personnel outside India who is representing any State or Union Territory at national level or India at international level.
- c) The CSR projects/programmes/activities that benefit only the employees of the Company and their families, shall not be considered and not qualify as CSR expenditure.
- d) Contribution of any amount directly or indirectly to any political party under Section 182, shall not be considered and not qualify as CSR expenditure.

- e) The surplus, if any, arising out of the CSR projects/programmes/activities shall not form part of the business profit of the Company.
- f) Activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services shall not form part of CSR expenditure.
- g) Activities carried out for fulfilment of any other statutory obligations under any law in force in India shall not form part of CSR expenditure.

15. Disclosures

Regular reporting and disclosure of all CSR activities will be a mandatory component as per the Act. Established reporting mechanisms will be put in place.

PIL will also disclose the CSR projects /programmes /activities on the official website as required under the Act and the rules.

A brief summary of CSR projects/programmes/activities will also be included in the Annual Report in the prescribed format as per the CSR rules of the Act.

The CSR Policy issued pursuant to the Act has been recommended by the CSR Committee of the Board of Directors and approved by the Board of Directors and shall be placed on the Company's website.

16. CONTACT PERSONNEL

For queries related to CSR projects/programmes/activities, please write to us at: share@polycab.com

17. LIMITATION AND AMENDMENT

The Board of Directors may in their discretion and on recommendation of the CSR committee, make any changes /modifications and/or amendments to this Policy from time to time.