

PREM CABLES PRIVATE LIMITED

Corporate social responsibility (CSR) policy

**Policy Effective Date: Date of
Approval/Modification**

Table of Contents

1. SHORT TITLE, PHILOSOPHY & OBJECTIVE.....	3
2. DEFINITIONS & APPLICABILITY.....	3
3. CONSTITUTION & ROLE OF THE CSR COMMITTEE.....	4
4. CSR ACTIVITIES (AS PER SCHEDULE VII).....	4
5. CSR SPEND & BUDGET ALLOCATION.....	5
6. IMPLEMENTATION FRAMEWORK.....	6
7. MONITORING & GOVERNANCE MECHANISM.....	7
8. AMENDMENTS TO THE POLICY	7

PREM CABLES PVT LTD

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

1. SHORT TITLE, PHILOSOPHY & OBJECTIVE

1.1. Philosophy

Prem Cables Pvt Ltd is committed to building a sustainable and socially responsible corporate environment. The Company believes that economic success must go hand-in-hand with socio-economic empowerment, environmental protection, and community development.

1.2. Short Title

This document shall be known as the “**Prem Cables Pvt Ltd, Corporate Social Responsibility Policy**” (hereinafter referred to as "the Policy").

1.3. Objective

The primary objective of this Policy is to lay down guidelines for Prem Cables Pvt Ltd to execute its social responsibilities as a corporate citizen. It aims to actively contribute to the socio-economic development of the community, ensuring environmental sustainability and fostering local development where the company operates.

2. DEFINITIONS & APPLICABILITY

2.1. Definitions

- “**Act**” means the Companies Act, 2013, including any statutory modifications or re-enactments thereof.
- “**Board**” means the Board of Directors of Prem Cables Pvt Ltd.
- “**CSR Committee**” means the Corporate Social Responsibility Committee constituted by the Board of Directors of the Company under Section 135 of the Act.
- “**Net Profit**” means the net profit of the Company as per its financial statements prepared in accordance with the applicable provisions of the Act (Section 198), but shall not include profit arising from any overseas branch or any dividend received from other companies in India.
- “**Ongoing Project**” means a multi-year project undertaken by the Company in fulfillment of its CSR obligation, having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the Board based on reasonable justification.

2.2. Applicability

This Policy applies to all CSR projects, programs, and activities undertaken by the Company as per the framework of **Schedule VII of the Act**.

3. CONSTITUTION & ROLE OF THE CSR COMMITTEE

3.1. Constitution

Pursuant to Section 135 (1) of the Companies Act, 2013, and the Companies (Corporate Social Responsibility Policy) Rules, 2014, both of which came into force on April 01, 2014, every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an independent director.

In compliance with the above provisions, the Corporate Social Responsibility (CSR) Committee of the Company was constituted with the following Directors as Chairman/Members of the CSR Committee:

1. Mr. Abhay P Shah, Managing Director (Chairperson);
2. Mr. Aniket Shah, Director (Member);
3. Mr. Ayush A Shah, Director (Member)

3.2. Quorum

The quorum for the CSR Committee meeting shall be two members personally present.

3.3. Role and Responsibilities

The CSR Committee shall be responsible for:

- Formulating and recommending a **CSR Policy** to the Board indicating the activities to be undertaken.
- Recommending the amount of expenditure to be incurred on the specified activities.
- Instituting a transparent monitoring mechanism for the implementation of CSR projects.
- Submitting periodic progress reports to the Board.

4. CSR ACTIVITIES (AS PER SCHEDULE VII)

The Company will prioritize its CSR expenditure in the local area and areas around it where it operates. The activities will focus on one or more of the following sectors permitted under Schedule VII of the Act:

- **Health and Sanitation:** Eradicating hunger, poverty, and malnutrition; promoting health care, preventive health care, and sanitation (including contribution to the Swach Bharat Kosh).
- **Education & Livelihood:** Promoting education, including special education and employment-enhancing vocational skills, especially among children, women, elderly, and the differently-abled.
- **Gender Equality & Women Empowerment:** Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes and day care centres.
- **Environmental Sustainability:** 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.
- **National Heritage & Art:** Protection of national heritage, art, and culture, including restoration of buildings and sites of historical importance and works of art.
- **Armed Forces Welfare:** Measures for the benefit of armed forces veterans, war widows, and their dependents.
- **Sports:** Training to promote rural sports, nationally recognized sports, Paralympic sports, and Olympic sports.
- **Relief Funds:** Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief.

5. CSR SPEND & BUDGET ALLOCATION

5.1. Minimum Expenditure

The Board shall ensure that the Company spends, in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of this Policy.

5.2. Exclusion of Activities

The CSR surplus or budget shall **not** include:

- Activities undertaken in the normal, routine course of business operations.
- Projects that benefit only the employees of the Company and their families.
- Direct or indirect political contributions under Section 182 of the Act.
- Activities supported by the Company on a sponsorship basis for deriving marketing benefits for its products or services.
- Activities carried out outside India.

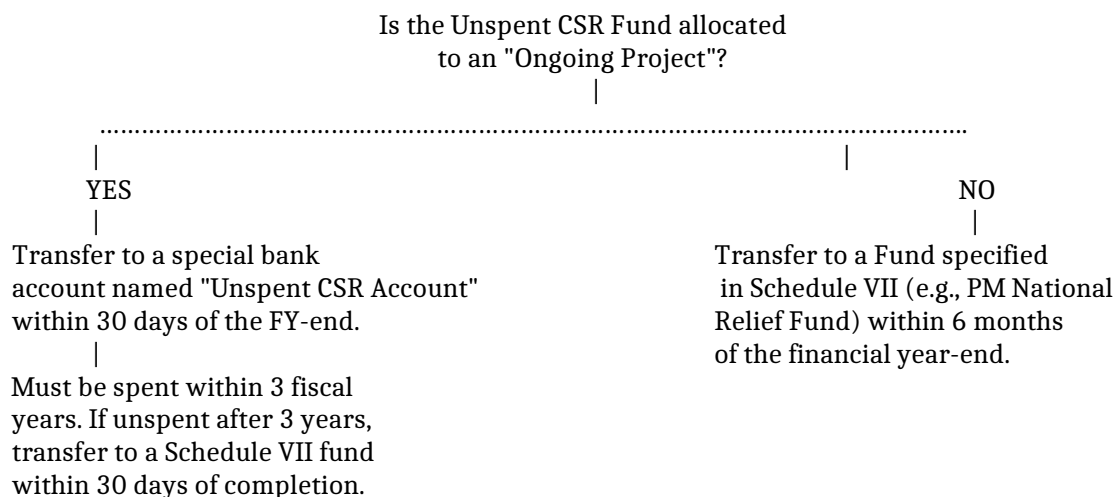
5.3. Treatment of Surplus

Any surplus arising out of the CSR projects or programs shall not form part of the business profit of the Company. It must be:

- Plowed back into the same CSR project within six months; OR
- Transferred to the Unspent CSR Account and spent in pursuance of this CSR Policy; OR
- Transferred to a Fund specified in Schedule VII within six months of the expiry of the financial year.

5.4 Treatment of Unspent CSR Funds (2019 Amendment Rules)

In the event that the Company fails to spend the mandated 2% CSR allocation, the unspent amount must be legally ring-fenced and treated as follows:



6. IMPLEMENTATION FRAMEWORK

The Company may decide to undertake its CSR activities through any of the following modes:

1. **Direct Execution:** Formulating programs directly by the internal CSR team.
2. **Registered Entities:** Through a registered trust, registered society, or a Section 8 company established by the Company, its holding, subsidiary, or associate company.
3. **Third-Party Partnerships:** Through an external registered trust, society, or Section 8 company that possesses an established track record of at least three (3) years in undertaking similar programs.

4. **Collaboration:** Collaborating with other companies for undertaking projects, provided that the CSR Committees of respective companies are in a position to report separately on such projects.

7. MONITORING & GOVERNANCE MECHANISM

7.1. Reporting and Review

- The CSR Committee will establish a clear monitoring framework involving periodic milestones and timelines for each project.
- Project execution partners will submit quarterly progress reports, including financial utilization certificates, to the CSR Committee.
- The CSR Committee shall review these reports and present a bi-annual progress summary to the Board.

7.2. Board Approval & Disclosures

- The Board will review the recommendations made by the CSR Committee and approve the Policy and annual budget.
- The Board's Report (Director's Report) under Section 134(3) of the Act shall include an **Annual Report on CSR** containing particulars specified in the Annexure to the CSR Rules.
- The approved CSR Policy shall be prominently displayed on the **Company's official website**, if any.

8. AMENDMENTS TO THE POLICY

The Board of Directors, on its own motion or based on recommendations from the CSR Committee, may amend or modify this Policy from time to time in compliance with updated provisions of the Act and Rules.

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