

DYNAMIC CABLES LIMITED

POLICY ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

DEFINITIONS:

“**Act**” means the Companies Act, 2013, as amended from time to time.

“**Board**” means the Board of Directors of the Company.

“**Company**” means ‘Dynamic Cables Limited’.

“**CSR**” means Corporate Social Responsibility.

“**CSR Committee**” means Corporate Social Responsibility Committee of the Company constituted by the Board.

“**CSR Rules**” means Companies (Corporate Social Responsibility Policy) Rules 2014 and amendments thereon.

“**CSR Policy**” means this Policy.

“**CSR Expenditure**” shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee.

“**Net profit**” shall have the meaning ascribed to it in the Act.

“**NGO**” means non-governmental organisation

INTRODUCTION OF NEW DEFINITIONS:

“**Administrative overheads**” means the expenses incurred by the Company for ‘general management and administration’ of Corporate Social Responsibility functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.

“**Ongoing Project**” means a multi-year project undertaken by a Company in fulfilment 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.

“**Public Authority**” means ‘Public Authority’ as defined in clause (h) of section 2 of the Right to Information Act, 2005

TITLE AND APPLICABILITY:

Company has developed its Corporate Social Responsibility Policy (“Policy”) in accordance with provisions section 135 of the Companies Act, 2013 and the rules made there under.

CSR VISION:

Corporate initiative to assess and take responsibility for the company's effects on the environment and impact on social welfare

CSR MISSION STATEMENT:

- Create meaningful and long lasting impact on the society at large with minimal resource for economic development.
- Establishing a guideline for compliance with the provisions of Regulations to dedicate a percentage of Company's profits for social projects.
- Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting

CSR OBJECTIVE:

- The main objective of the Corporate Social Responsibility Policy ('Policy') is to lay down guidelines to make Corporate Social Responsibility as one of the key focus areas to adhere to make progress strategy that focuses on making a positive contribution to society through high impact, sustainable programs.
- The Company will undertake social projects in a focused manner, for maximum positive impact.
- Strengthening rural areas by funding for urinals and other health and sanitation related activities for women in government schools and colleges.
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining the quality of soil, air and water.
- Making quality healthcare accessible and affordable for all.

CSR PROGRAMME AREA

The Policy recognizes that corporate social responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas as notified under Section 135 of the Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014:

- i. Eradicating hunger, poverty & malnutrition, promoting preventive health care & sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation & making available safe drinking water;
- ii. Promoting education, including special education & employment enhancing vocation skills especially among children, women, elderly & the differently abled & livelihood enhancement projects;

- iii. Promoting gender equality, empowering women, setting up homes & hostels for women & orphans, setting up old age homes, day care centers & such other facilities for senior citizens & measures for reducing inequalities faced by socially & economically backward groups;
- iv. Reducing child mortality and improving maternal health by providing good hospital facilities and low cost medicines;
- v. Providing with hospital and dispensary facilities with more focus on clean and good sanitation so as to combat human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
- vi. Ensuring environmental sustainability, ecological balance, protection of flora & fauna, animal welfare, agro forestry, conservation of natural resources & maintaining quality of soil, air & water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- vii. Employment enhancing vocational skills
- viii. Protection of national heritage, art & culture including restoration of buildings & sites of historical importance & works of art; setting up public libraries; promotion & development of traditional arts & handicrafts;
- ix. Measures for the benefit of armed forces veterans, war widows & their dependents;
- x. Training to promote rural sports, nationally recognized sports, sports & Olympic sports;
- xi. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development & relief & welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities & women;
- xii. Contributions or funds provided to technology incubators located within academic institutions, which are approved by the Central Government;
- xiii. Rural development projects,
- xiv. Slum area development.

Explanation.— For the purposes of this item, the term slum area shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

The Above list is illustrative not exhaustive. All activities under the CSR activities should be environment friendly and socially acceptable to the local people and Society and comes under the purview of Schedule VII of Companies Act, 2013 and rules made thereunder, amended from time to time.

CSR BUDGET:

- The Board of Company shall ensure that in each financial year, the Company spends 2% of the average net profit made during the immediate three preceding financial years.

- The unutilized CSR budget from the 2% of the average net profit will be parked in a CSR Fund (Corpus) created by the company. This Fund would also include any income arising there from and any surplus arising out of CSR activities.
- In case of any surplus arising out of CSR projects the same shall not form part of business profits of the Company.
- The Company may collaborate or pool resources with other companies (its subsidiary companies) to undertake CSR activities.

CSR IMPLEMENTATION:

The Board shall ensure that the CSR activities are undertaken by the Company itself or through:

- a Company established under section 8 of the Companies Act, 2013, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the Company, either singly or along with any other Company, or
- a Company established under section 8 of the Companies Act, 2013, or a registered trust or a registered society, established by the Central Government or State Government; or
- any entity established under an Act of Parliament or a State legislature; or
- a Company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of atleast three years in undertaking similar activities.
- Every entity who intends to undertake any CSR activity, shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar.
- The CSR projects will be implemented in a time-bound manner with clear objectives, plan, targets and robust monitoring and evaluation mechanisms. The Company's upcoming CSR projects will be aligned to the Policy. This Policy builds on the learning's and good practices of the CSR projects initiated by the Company.

ROLES AND RESPONSIBILITIES:

A. The Board

The Board of Directors of the Company will be responsible for:

- Approval of the CSR Policy of the Company.
- Disclosing the content of the Policy in its report and place the Policy on the Company's website in such a manner as prescribed under Section 135 of the Companies Act 2013 read with the CSR Rules.

- Ensuring that the social projects included in the Policy are undertaken by the Company.
- Ensuring 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 the Policy.
- Ensuring that the Company gives preference to the local areas around its operations for spending the amount earmarked for CSR projects.
- Ensuring that it specifies the reasons in its report for not spending the earmarked amount in case the Company fails to spend such amount.

B. CSR Committee:

The CSR Committee shall consist of the following directors:

1. Mr. Rahul Mangal, Chairman
2. Mr. Ashish Mangal, Managing Director
3. Mr. Ashok Kumar Bhargava, Independent Director

Formulating and recommending to the Board of Directors, the CSR Policy and indicating activities to be undertaken recommending the amount of expenditure for the CSR activities and monitoring CSR activities from time to time.

C. Responsibility of the CSR Committee:

- Formulate and recommend the CSR Policy to the Board for approval. The Committee shall indicate the projects to be undertaken by the Company as specified in Schedule VII
- Monitor the Policy from time to time and recommend changes to the Board
- Recommend the amount of expenditure to be incurred on CSR projects
- Institute a transparent monitoring mechanism for ensuring implementation of the social projects undertaken by the Company

FUNDING, SELECTION AND MONITORING PROCESS

The Company will receive requests for funding of projects throughout the calendar year. The Company panel of experts will evaluate proposals received under the focus areas and projects will be prioritized by assessing their impact and will then forward its recommendations to the CSR Committee. The CSR Committee will deliberate on the proposals and approve proposals for implementation at its discretion.

1. The administrative overhead $\leq 5\%$ of total CSR expenditure of the Company for the financial year is permitted.
2. The surplus out of CSR activity was anyway prohibited to form part of business profits of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy, within a period of six months of the expiry of the financial year.
3. Where a Company spends an amount in excess of requirement, such excess amount may be set off against the CSR spending requirement up to immediate succeeding three financial years subject to the conditions that –
 - (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities,
 - (ii) the Board of the Company shall pass a resolution to that effect.
4. The CSR amount may be spent by a Company for creation or acquisition of a capital asset, which shall be held by –
 - (a) Company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or
 - (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
 - (c) public authority:

For existing capital assets -this has to be complied within 180 days i.e. by 21st July, 2021 or additional period of 90 days with the approval of Board

IMPACT ASSESSMENT

1. Company shall undertake impact assessment through an independent agency:
 - If the average CSR obligation of the Company, in the 3 immediately preceding financial years is Rs. 10 Cr. or more;
 - The activity or the CSR project has an outlay of Rs. 1 Cr. or more;
 - Since the requirement applies immediately, the CSR target for FY 2017-18, 18-19 and 19-20 will be relevant, to see the impact assessment requirement for FY 20-21.

DISCLOSURES ON WEBSITE

Company shall mandatorily disclose the following on their website, if any, for public access:

- The composition of the CSR Committee
- CSR policy
- Projects approved by the Board.

CARRYFORWARD OF EXCESS CSR CONTRIBUTION

In case Company spends an amount in excess of the statutory requirements of the CSR obligation then Company may set off such excess amount against the requirement to spend under this sub-section upto immediate succeeding three (3) financial years and in such manner, as prescribed in CSR rules.

TRANSFER OF UNSPENT CSR AMOUNT

If the Company fails to spend the CSR obligation then the Board shall specify the reasons for the same and:

- Analyse the “unspent” amount
- If and to the extent it pertains to “ongoing project” – transfer the unspent amount in a separate bank account [unspent CSR account] –within 30 days of the end of Financial Year
- Or else, transfer unspent amount to National Unspent Fund, within 6 months of the end of the financial year.

VALIDITY OF CSR POLICY:

The Board may amend the CSR Policy time to time.

- Amended w.e.f. 13.02.2021