



POLICY FOR
CORPORATE SOCIAL RESPONSIBILITY
[Amended/Updated as on 29-06-2021]

UNIVERSAL CABLES LIMITED

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POLICY FOR

CORPORATE SOCIAL RESPONSIBILITY

A. PURPOSE

The purpose of this Corporate Social Responsibility (CSR) Policy is to formulate a statement containing the approach and directions given by the Board of Universal Cables Limited ('the Company'), taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

B. BACKGROUND

Corporate Social Responsibility (CSR) has evolved during last few decades from simple philanthropic activities to integrating the interest of the business with that of the communities in which it operates. By exhibiting socially, environmentally and ethically responsible behaviour in governance of its operations, the business can generate value and long-term sustainability for itself while making positive contribution to the betterment of the society. It is recognized the world over that integrating social, environmental and ethical responsibilities into the governance of businesses ensures their long term success, competitiveness and sustainability.

C. LEGAL REQUIREMENT

Section 135 of the Companies Act, 2013 and rules made thereunder as amended from time to time provides the broad legal framework of Corporate Social Responsibility and requires:

- (1) 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 immediate preceding financial year ('eligible company') shall constitute a Corporate Social Responsibility (CSR) Committee of the Board consisting of three or more directors out of which at least one director shall be an Independent Director.
- (2) Eligible Company to ensure spending every year at least 2% of its average net profit made during the three immediately preceding financial years and that administrative overhead, if any, shall not exceed five percent of total CSR expenditure of the Company for the financial year.

D. OBJECTIVES

The objectives of the Policy are to –

- (i) Demonstrate commitment to the common good through responsible business practices and good governance;
- (ii) Set high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models;

- (iii) Engender a sense of empathy and equity among employees of the Company to motivate them to give back to the society;
- (iv) To make CSR a key business process for sustainable development of the society aimed at supplementing the role of the Government in enhancing the welfare measures of the society within the framework of the Company's CSR Policy.

E. **SCOPE FOR CSR PROJECTS/PROGRAMMES:**

- (1) The CSR Projects/Programs shall be carried out based on the Annual Action Plan to be formulated and recommended by the CSR Committee to the Board of Directors in pursuance with this Policy and shall include the following:-
 - (i) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act, as amended from time to time;
 - (ii) the manner of execution of such projects or programmes;
 - (iii) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - (iv) monitoring and reporting mechanism for the projects or programmes; and
 - (v) details of need and impact assessment, if required.
- (2) The activities mentioned in Schedule VII of the Act are to be interpreted liberally so as to capture the essence of the same. The initiatives by the Company in the above fields will include contribution to various projects and programs undertaken in these areas.
- (3) The Company shall give preference to local area and areas around the Company where it operates for spending the amount earmarked for CSR.
- (4) The activities which are for the benefit of the employees of the Company or their family members shall not be considered as CSR activity. CSR activities shall also not include the activities undertaken in pursuance of normal course of business of the Company.
- (5) The Board of Directors of the Company may decide to undertake CSR activities as recommended by the CSR Committee by itself or through a registered trust(s) or registered society(ies) or a Section 8 company(ies) or such other entity(ies) as may be eligible for undertaking CSR activities, pursuant to Section 135 of the Companies Act, 2013 and rules made thereunder.

F. **ROLE OF BOARD OF DIRECTORS**

The Board of Directors of the Company shall be responsible/authorised for:

- (i) Approving the CSR policy after taking into account the recommendations of the CSR Committee.

- (ii) Ensuring that in each financial year the Company spends at least 2% of the average net profit made during the three immediately preceding financial years and that administrative overhead, if any, shall not exceed five percent of total CSR expenditure of the Company for the financial year.
- (iii) Considering and approving the annual action plan recommended by the CSR Committee and may alter such plan at any time during the financial year, based on the reasonable justification to that effect.
- (iv) Ensuring that the funds so disbursed have been utilised for the purposes and in manner as approved by it.
- (v) Monitoring the implementation of the ongoing projects with reference to the approved timeliness and year-wise allocation and may make modification, if any, required for the smooth implementation of the project within overall permissible time period.
- (vi) Disclosure in the Boards' Report, such particulars as mentioned in the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.
- (vii) Disclosure of the composition of the CSR Committee, CSR Policy and the approved projects on the Company's website.
- (viii) Changing duration of project(s) which was initially not approved as multiyear (ongoing) project(s) and whose duration has been extended beyond one year on reasonable justification.

G. **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Corporate Social Responsibility (CSR) Committee of the Board constituted by the Board of Directors as per the provisions of Section 135 of the Companies Act, 2013 shall:

- (i) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act 2013;
- (ii) formulate and recommend to Board, an annual action plan or alterations therein, in pursuance of this Policy, which shall include the following namely:
 - (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 above said projects or programmes;
 - (c) the 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.

- (iii) monitor the Corporate Social Responsibility Policy of the Company from time to time;
- (iv) decide on any other matter/thing as may be considered expedient in furtherance of and to comply with the CSR Policy of the Company.

H. **MONITORING & PARTNERSHIP**

To ensure effective implementation of the CSR activities/programs/projects undertaken, a monitoring mechanism will be put in place. If pursuant to Section 135 of the Companies Act, 2013 the average CSR obligation is ten crore or more in the three immediate preceding financial years, then Company shall undertake impact assessment, through an independent agency, for their CSR projects having outlays of one crore rupees or more and which have been completed not less than one year before undertaking the impact study.

In respect of the contributions made to a trust/society/Section 8 company(ies)/any other eligible entity(ies) for the CSR activities, the Company shall ensure that such trust/society/Section 8 company(ies)/any other eligible entity(ies), are eligible to undertake CSR activities as per the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time and shall obtain commitment from the trust/society/Section 8 company(ies)/any other eligible entity(ies) that it shall utilise its funds solely for the activities/programs/projects identified and approved by the CSR Committee and Board of Directors of the Company. The Company shall have the right to ask the said trust/society/Section 8 company(ies)/any other eligible entity(ies) to provide requisite details to show that the contribution made by the Company have been spent on the earmarked activities/programs/projects.

Collaborative partnership may be formed with the Government, the district authorities, the Village Panchayats, NGOs, other Companies and other likeminded stakeholders with the intent to widen the Company's reach and leverage upon the collective expertise, wisdom and experience that these partnerships bring on the table.

The details of CSR activities of the Company will be included in the Boards' Report as prescribed in Section 135 of the Companies Act, 2013 and the Rules made thereunder. A copy of the Policy will also be placed on the Company's website.

I. **SURPLUS OF CSR PROJECTS OR/ AND EXCESS SPENDS**

The surplus, if any, arising out of the CSR projects or programs or activities shall not form a part of the business profit of the Company and will be:

- (a) ploughed back into the CSR activities; or
- (b) transferred to the Unspent CSR Account and

shall be spent in pursuance of CSR Policy and annual action plan or surplus amount, if any, shall be transferred to a fund as may be specified from time to time under Section 135 or rules/notification/order/circular made thereunder.

Where the Company spends an amount in excess of requirement as per Section 135 of the Companies Act, 2013, then such excess amount may be set-off against the requirement to spend as per above said section up to such period and subject to such conditions as specified by the Act and the Rules made thereunder from time to time.

J. UNSPENT CSR EXPENDITURE

Subject to provisions of Section 135 of the Companies Act, 2013 read with rules, circulars, notification, order issued thereunder time to time:

- (a) If related to any ongoing project, CSR expenditure amount remaining unspent, such unspent amount is to be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account;
- (b) If s CSR expenditure amount (other than related to ongoing project) remaining unspent, such amount be transferred to a specified fund as within six months of expiry of the Financial Year.

K. INTERPRETATION

If under any circumstances where the terms of this Policy differ from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over this Policy until such time as this Policy is changed to conform to the applicable law, rule, regulation or standard in this regard.

L. AMENDMENT

This policy shall be reviewed from time to time so that the same remains compliant with applicable legal requirements. The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace this policy entirely with a new policy.

M. APPROVAL OF THE POLICY

The aforesaid CSR Policy has been recommended by CSR Committee and approved by the Board of Directors of the Company.
