



POCL ENTERPRISES LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

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POCL ENTERPRISES LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

(As per Section 135 of the Companies Act, 2013 read with The Companies (Corporate Social Responsibility Policy) Rules, 2014)

INTRODUCTION

In line with the philosophy of “Bonding together – Onwards & Upwards” and recognizing that business enterprises are economic organs of society and draw on societal resources, POCL Enterprises Limited (POEL) believes that a Company's performance should also be measured by its contribution to building economic, social and environmental capital towards enhancing societal sustainability. In line with this context, POEL strives to build a dedicated approach towards social development through its Corporate Social Responsibility (“CSR”) initiatives.

POCL Enterprises Limited believes that, in the strategic context of business, an enterprise possesses beyond mere financial resources, the transformational capacities to create sustainable development of the society. In line with this belief, and recognizing the need and the tremendous opportunity to transform the lives, POEL is committed to work towards the areas that lead to sustainable development of the society. These initiatives shall be independent of the normal conduct of POEL's business programmes and projects & activities (collectively "CSR Programme") carried out in this regard are the subject matter of this Policy.

OBJECTIVE

This policy shall apply to all CSR initiatives taken up across the Company including those at factories and various other work-centers of the Company, for the benefit of different segments of the society.

This policy has been prepared in pursuance to and in accordance with the requirements of Section 135 of the Companies Act, 2013 (“the Act”) and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

DEFINITIONS

- a) **“Act”** means Companies Act, 2013 including any Statutory modification or re- enactment thereof.
- b) **“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.
- c) **“Board”** means Board of Directors of the Company.
- d) **“Corporate Social Responsibility (CSR)”** means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.
- e) **“CSR Committee”** means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act;
- f) **“Net Profit”** means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely: -
- (i) any profit arising from any overseas branch or branches of the Company, whether operated as a separate Company or otherwise; and
 - (ii) any dividend received from other Companies in India, which are covered under and complying with the provisions of Section 135 of the Act:

Provided that in case of a foreign company covered under these rules, net profit means the net profit of such Company as per profit and loss account prepared in terms of Section 381(1)(a), read with section 198 of the Companies Act, 2013;

g) “Ongoing Project” means a multi-year project undertaken by the 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.

Note: The words and expressions used and not defined in hereunder shall have the same meanings respectively assigned to them in the Companies Act, 2013.

APPLICABILITY OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (“CSR Committee”)

Every company having –

- Net Worth of Rupees Five Hundred Crore or more (or)
- Turnover of Rupees One Thousand Crore or more (or)
- Net Profit of Rupees Five Crore or more

during the immediately preceding financial year, shall constitute a Corporate Social Responsibility Committee (hereinafter referred to as CSR Committee) of the Board consisting of three or more Directors, out of which, at least one Director shall be an Independent Director.

Further, as per the provisions of Section 135(9) of the Companies Act, 2013, where the amount to be spent by a Company towards CSR expenditure does not exceed Rupees Fifty Lakhs, then the requirement for constitution of the CSR Committee as stated above, shall not be applicable and the functions of such CSR Committee can be discharged by the Board of Directors of the Company.

FUNCTIONS/ RESPONSIBILITIES OF CSR COMMITTEE

CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy in consonance with the long term vision and strategy of Company in respect of CSR activities, which shall include the following, namely:

1. The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act, 2013;
2. Recommend the amount of expenditure to be incurred on the activities referred to above.
3. The manner of execution of such projects or programmes;
4. The modalities of utilization of funds and implementation schedules for the projects or programmes;
5. Monitoring and reporting mechanism for the projects or programmes; and
6. Details of need and impact assessment, if any, for the projects undertaken by the Company.
7. Recommend to the Board any alteration of the Annual Action plan at any time during the financial year, based on the reasonable justification to that effect.
8. Recommend to the Board reclassification of yearly CSR projects to on-going projects, with requisite justifications.

FUNCTIONS/ RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The functions/ responsibilities of the Board of Directors of the Company with respect to CSR are as follows-

1. To review and approve the recommendations of CSR Committee in respect of annual budget for CSR;
2. To approve/review/modify/amend the Annual Action Plan recommended by the CSR Committee in pursuance of its CSR policy of the Company and make any alteration to

such plan at any time during the financial year, as may be recommended by the CSR Committee;

3. To approve the CSR projects or programmes that are recommended to be undertaken in areas or subjects specified in the Act, along with the manner of execution of such projects or programmes;
4. To monitor the implementation of ongoing projects and make modifications in such projects to ensure smooth implementation of the project within permissible time period.
5. To review the impact assessment reports made by external agencies on projects, mandatorily required to undertake impact assessment, for better decision on future CSR projects, if applicable.
6. To ensure that the funds are utilized for approved purpose and shall be certified by the Chief Financial Officer (CFO) or person in charge of finance.
7. To ensure that the Company spends in every financial year, whenever the CSR provisions are applicable to the Company, at least two percent of the average net profits made during the three immediately preceding financial years of the Company on CSR activities;
8. In case of excess CSR spend in any year, to approve and pass a resolution to the effect that the excess amount may be set off against the requirement to spend in the three immediate succeeding financial years.
9. To ensure that unspent CSR money is transferred to appropriate accounts within the timeline prescribed under the Act.
10. In the event where the constitution of the CSR Committee is not applicable to the Company, the Board of directors shall discharge all the functions and responsibilities stated above for the CSR Committee and further the Board reserves a right to assign the task of Implementation of the CSR Plan within specified budgets and timeframes to such authorized persons or committees as it may deem fit.
11. At the end of every financial year, the Board shall review the CSR Activities undertaken by the Company and submit its report along with the Financial Statements of the Company to form part of the Boards Report.

GUIDING PRINCIPLES FOR SELECTION OF PROGRAMMES & PROJECTS

POEL shall undertake projects in any one or more of the following focus areas-

- a) Environment sustainability and conserving natural resources;
- b) Eradicating hunger, poverty and malnutrition;
- c) Promotion of education;
- d) Promoting health care including preventive health care and sanitation;
- e) Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- f) Making available safe drinking water
- g) Promoting special education and employment, enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects,
- h) Empowering women
- i) Setting up homes and hostels for women and orphans

In addition to the above, projects may be undertaken covering activities specified in Schedule VII of the Companies Act 2013, as amended from time to time. The activities listed under Schedule VII, as on date, are given in the Annexure.

While approving the CSR activities, POEL shall always take care of the activities which are not eligible for CSR spend (as mentioned in the Annexure). The CSR project shall comply with any other stipulations/ restrictions, as provided under the CSR Rules or any clarification or circular issued by the Ministry of Corporate Affairs, from time to time.

ANNUAL ACTION PLAN

The Annual Action Plan of POEL shall include the following:

- 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 as specified in sub-rule (1) of rule 4;
- c) the modalities of utilization of funds and implementation schedules for the projects or programmes;
- d) monitoring and reporting mechanism for the projects or programmes;
- e) details of need and impact assessment, if any, for the projects undertaken by the company;
- f) Provided that Board may alter such plan at any time during the financial year, as its deems proper and appropriate.

CSR EXPENDITURE

The Committee/ Board, as applicable, shall determine the minimum amount to be spent as CSR expenditure which shall be an amount equivalent to 2% of the average of the net profits earned during the three immediate preceding financial years, calculated in accordance with the provisions of Section 198 of the Companies Act, 2013, and shall thereafter prepare a budget of expenditure to be applied for the CSR projects contemplated. The Company shall give preference to the local area and areas around where it operates for spending the amount earmarked for CSR activities.

The Board shall ensure that the administrative overheads **shall not exceed five percent of total CSR expenditure** of the Company for the financial year.

Any surplus arising out of the CSR activities shall not form part of the business profit 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 and annual action plan of the Company or transfer such surplus amount to a Fund specified in Schedule VII, within the period as prescribed under the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

CSR IMPLEMENTATION

The Company's CSR Programmes may be implemented in any of the below mentioned manner.

- a. Directly by the Company itself (or)
- b. Through a Company established under Section 8 of the Act, or a registered public Trust or a registered Society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and 80 G of the Income Tax Act, 1961, established by the Company, either singly or along with any other Company (or)
- c. Through a Company established under Section 8 of the Act or a registered Trust or a registered Society, established by the Central Government or State Government (or)
- d. any entity established under an Act of Parliament or a State legislature (or)
- e. Through a company established under Section 8 of the Act, or a registered public Trust or a registered Society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

The Company may also collaborate with other Companies for undertaking projects or programmes or CSR activities in such a manner that the CSR Committees of respective Companies are in a position to report separately on such projects or programmes in accordance with the CSR rules.

In case CSR Programmes are implemented through external agencies, the Company shall ensure that the external implementing agencies are duly registered with the Ministry of Corporate Affairs and have a Unique CSR Registration Number.

Further, the programmes are to be undertaken by those external agencies, the Company shall ensure that such programmes are covered in the Objects laid down in the respective Trust Deeds / Memorandum and Articles of Association of the external agencies.

While approving each specific project, the CSR Committee will prescribe the time period for implementation, monitoring and reporting mechanism for the projects or programmes.

All proposals for a CSR project should be submitted to the Company Secretary who in turn will place it before the Chairman & Managing Director for preliminary clearance and thereafter to the CSR Committee for recommending the same to the Board for final approval.

MONITORING & REPORTING

A report on the progress of the CSR projects undertaken by the Company will be submitted to the Board with full details of cost incurred, date of completion and results achieved, on a regular basis.

In order to ensure proper end use of the funds, officials may be deputed to personally inspect / verify the execution of the project / expenditure incurred.

A summarized report on implementation of the approved projects should be placed **at least once in six months** before the Board.

Further, the CSR initiatives of the Company will be reported in the Annual Report of the Company in compliance with Section 135 of the Companies Act, 2013 and rules made thereunder in the Annual Report on CSR containing particulars as specified in the format under the Act. Impact assessment, if any required, shall also be annexed to the Report.

PUBLICATION OF THE POLICY

The CSR policy approved by the Board will be hosted in the Company's website. Additionally, the Board of Directors of the Company shall disclose the composition of the CSR Committee, if applicable, and CSR Policy and Projects approved by the Board on their website.

AMENDMENT

The Board of Directors of the Company reserves the right to amend/ modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification shall be inconsistent with the applicable provisions of the Act or any law for the time being in force.

In the event of any conflict between this Policy and the provisions of the Act and the CSR Rules, this Policy shall be read and interpreted in accordance with the Act and Rules. In the event of any amendment to the Act and the CSR Rules, this Policy (including the Annexure attached hereto) shall be deemed to have been amended accordingly.

MANAGEMENT COMMITMENT

Our Board of Directors, our Management and all of our employees subscribe to the philosophy of compassionate care. We believe and act on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. This is the milestone of our CSR Policy.

EFFECTIVE DATE

This policy shall come into force with effect from August 11, 2023.

ANNEXURE

**SCHEDULE VII OF THE COMPANIES ACT, 2013 – ACTIVITIES CONSIDERED AS
ELIGIBLE FOR CSR EXPENDITURE**

The following are the activities mentioned under the Schedule VII of the Companies Act, 2013, which may be considered by Companies for discharging their Corporate Social Responsibility obligation:

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
- ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- iii. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- iv. 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 including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- v. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts.

- vi. Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows.
- vii. Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports.
- viii. Contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- ix. (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- x. Rural development projects
- xi. Slum area development.
- xii. Disaster management, including relief, rehabilitation and reconstruction activities.

ACTIVITIES WHICH ARE CONSIDERED AS INELIGIBLE FOR CSR EXPENDITURE

Any amount spent towards the below mentioned activities shall not qualify to be included in the CSR expenditure.

- i. Any activity undertaken by the Company in pursuance of its normal course of business.
- ii. Any activity benefitting the employees of the Company.
- iii. Any activity undertaken by the Company outside India, except for training of Indian sports personnel representing any State or Union Territory at national level or India at International level.
- iv. Political Contribution made by the Company under section 182 of the Companies Act, 2013.
- v. Any activity sponsored by Company for marketing benefits for its products or services.
- vi. Any activity undertaken for discharging any statutory obligations under any law in force in India.