



# Corporate Social Responsibility Policy

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# **ELECTROTHERM (INDIA) LIMITED**

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## **CORPORATE SOCIAL RESPONSIBILITY:**

The Board of Directors (the "Board") of Electrotherm (India) Limited ("the Company" or "EIL") acting upon the recommendation of the Corporate Social Responsibility Committee (the "Committee"), has adopted the following policy and procedures with regard to the Company's Social Responsibility:

### **PHILOSOPHY:**

The Company strives to be a socially responsible company and strongly believes in development which is beneficial for the society at large. The Company has to keep the environment clean and safe for the society by adhering to the best industrial practices, adopting best technologies and investing in greener initiatives, and so on. It is the Company's intent to make a positive contribution to the society in which the Company lives and operates.

The CSR Activities shall be undertaken only in India for the benefit of the public and not only for the employees of the Company and their families. Further provided that for undertaking the CSR Activities, preference shall be given to the local areas and areas where the Company operates.

### **POLICY OBJECTIVE:**

The CSR Policy encompasses the company's philosophy of giving back to the society as a responsible corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for the welfare & sustainable development of the community at large and also to set up process of execution, implementation and monitoring of the CSR activities to be undertaken by the Company.

### **LIST OF ACTIVITIES/PROJECTS:**

The Board of Electrotherm (India) Limited may decide to undertake one or more of the following CSR activities as recommended by the CSR Committee either directly or through a registered trust or a registered society or a company established by the company or its holding or subsidiary or associate company under section 8 of the Act or otherwise pursuant to Section 135 of the Companies Act, 2013 and rules made there under. Apart from below mentioned activities, CSR Committee of the Board is also authorised to consider activities which may be approved by the Government from time to time. The policy objectives of the company as per Schedule VII of the Companies Act, 2013 are as follows:

1. Promoting education, including employment enhancing vocational skills and special education especially in and around the areas where companies manufacturing facilities are located, with focus on children, women, and the differently able ones and also to actively support livelihood enhancement projects;
2. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources, maintaining quality of soil, air and water, using green energy and taking other initiatives for environ protection;
3. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;



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4. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
  5. Training to promote rural sports, nationally recognised sports, Paralympics & Olympic sports;
  6. 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 and welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women;
  7. Contribution or funds provided to technology incubators located within academic Institution which are approved by the Central Government;
  8. Rural development projects;

### **QUANTUM OF AMOUNT TO BE SPENT ON CSR ACTIVITIES:**

1. The Company shall strive to spend in every financial year at least 2% (two percent) of the average net profits of the Company made during the three immediately preceding financial years.
2. Any surplus arising and/or additional revenue generated out of CSR Activities undertaken by the Company shall not form part of the business profit of the Company and same shall be spent for undertaking any CSR Activities only.
3. There is no cap ceiling on CSR spends.
4. CSR expenditure shall include all expenditure including contribution to corpus, the projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee.
5. Allocation of the annual Budget for CSR activities in a financial year will be as per the provisions of the Act and the Rules made there under.

### **IMPLEMENTATION OF CSR ACTIVITIES:**

1. The Company may undertake CSR Activities through a registered trust or society or any company established by the Company, its holding (if any, in future) or subsidiary company (if any, in future) under Section 8 of the Act for such not-for-profit objectives.
2. Provided that the Company can carry out the CSR Activities through such other institutions, as may be found suitable by the CSR Committee, having an established track record of at least 3 (three) years in undertaking the CSR Activities.
3. The Company may collaborate with other companies for undertaking the CSR Activities subject to fulfillment of separate reporting requirements as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("the Rules").
4. The CSR Activities shall not include any activity undertaken by the Company in pursuance of its normal course of business.
5. The Company shall not make any payment directly or indirectly to any Political Party or Parties for CSR Activities.



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## **PROCEDURE FOR CSR ACTIVITIES :**

1. The Committee shall recommend to the Board suitable CSR activities to be undertaken during the financial year along with the detailed plan, modalities of execution, implementation schedule, monitoring process and amount to be incurred on such activities;
2. The Board shall give its approval based on the recommendation of the Committee and in compliance of this Policy;
3. The Committee, after approval, shall submit the report giving status of the CSR Activities undertaken, Expenditure Incurred and such other details as may be required by the Board.

## **ROLE OF THE COMMITTEE:**

The Committee shall carry out of the following functions:

1. To recommend the CSR Policy to the Board;
2. To identify the projects/activities to be undertaken by the Company for CSR
3. To recommend to the Board CSR Activities to be undertaken along with detailed plan, modalities of execution, implementation schedule, monitoring process and amount to be incurred on such activities;
4. To monitor the CSR Policy of the Company from time to time;
5. To ensure compliance of CSR Policy and the Rules;
6. such other functions as may be delegated and/or assigned by the Board from time to time.

The CSR Committee shall be responsible for the administration, interpretation, application and review of this policy. The Chairman of the CSR Committee also shall be empowered to bring about necessary changes to this policy, if required at any stage with the concurrence of the Board.

## **CONCLUSION:**

In case of any confusion or doubt with respect to any provision of this policy, the CSR Committee may make a reference to the Board of Directors of the Company and in such case, CSR Committee will follow the decision of the Board of the Company. Further all the provisions of this policy are subject to any modification, revision, variation deletion, addition or amendment in accordance with the provisions /guidelines as may be issued/ imposed by the Government, from time to time.

The CSR Committee and the Board of Directors of the Company will review and modify this policy as and when required. Further, Words and expressions used and not defined in this Policy shall have the same meanings respectively assigned to them in the Companies Act, 2013 and the Rules made there under, as applicable.