



Corporate Social Responsibility Policy

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1. CORPORATE SOCIAL RESPONSIBILITY (CSR):

The Board of Directors (the “Board”) of Electrotherm (India) Limited (“the Company” or “EIL”) based on 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:

2. PHILOSOPHY:

The Company’s philosophy is to giving back to society by contributing in social, economic and environment development for benefit of the society at large. The Company strives to be a socially responsible company and strongly believes in development for the society. 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. The Company intends 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 by giving the preference to the local areas and areas where the Company operates.

3. 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 benefit of society and also to set up process of execution, implementation and monitoring of the CSR activities to be undertaken by the Company.

4. LIST OF ACTIVITIES/PROJECTS:

The Board of Electrotherm (India) Limited may decide to undertake one or more of the following CSR activities as projects or programs or activates which are related to areas or subjects specified in Schedule – VII of the Companies Act, 2013 (the ‘Act’), the entries in the Schedule – VII should be interpreted liberally so as to capture the essence of the subjects enumerated in the said Schedule. Apart from below mentioned broad based activities as enlisted in the scheduled VII of the Companies Act, 2013, 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 special education and employment enhancing vocational skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
2. 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;
3. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
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. 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;
6. 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;
7. Training to promote rural sports, nationally recognised sports, Paralympics sports & Olympic sports;
8. 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 Government for socio-economic development and relief and welfare of the scheduled castes, the scheduled tribes, other backward classes , minorities and women;
9. (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by Central Government or State Government or Public Sector Undertaking or any agency of Central Government or State Government, and

(b) contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and autonomous bodies under the 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 Defence Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

10. Rural development projects;

11. 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.

12. Disaster management, including relief, rehabilitation and reconstruction activities.

13. such other activities as may be specified in the Scheduled VII of the Companies Act from time to time, circulars or notifications issued by the Ministry of Corporate Affairs from time to time.

5. QUANTUM OF AMOUNT TO BE SPENT ON CSR ACTIVITIES:

1. The Company shall ensure to spend in every financial year at least 2% (two per cent) 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 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 a period of six months of the expiry of the financial year.
3. There is no cap ceiling on CSR spends. However, a Company spends an amount in excess of requirement provided under above point no. 1, such excess amount may be set off against the requirement to spend CSR amount upto immediately succeeding three financial years as per the provisions of the Companies Act, 2013.

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.
6. In case the Company fails to spend the such amount in any given financial year, such the unspent amount, relating to a project, other than ongoing project, shall be transferred to any Fund included in Schedule VII of the Act (until a fund is specified in Schedule VII of the Act) within a period of six months from the expiry of the financial year and Board shall specify the reasons for the same in its report in terms of clause (o) of sub-section {3} of section 134.
7. The unspent amount relating to ongoing project shall be transferred within a period of thirty days from the end of the financial year to a special account which will be opened by the Company in that behalf in that financial year in any scheduled bank to be called 'Unspent Corporate Social Responsibility Account and such amount will be spent by the Company in pursuance of its obligation towards the CSR Policy within a period of three financial years from the date of such transfer, failing which the Company will transfer the same to a fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

6. IMPLEMENTATION OF CSR ACTIVITIES:

1. The Board of Company may decide to undertake its CSR Activities approved by the CSR Committee by the Company itself or through:
 - (i) a company established under section 8 of the Act or a registered public trust or registered society exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved 80G of the Income Tax Act, 1961 (3 of 1961), established by the Company, either singly or alongwith any other company; or
 - (ii) 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
 - (iii) any entity established under the Act of Parliament or a State legislature; or
 - (iv) 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 approved 80G of the Income Tax

Act, 1961, and having an established track record of at least three years in undertaking similar activities.

Explanation.- For the purpose of sub-clause (iii) above, the term “entity” shall mean a statutory body constituted under an Act of Parliament or State legislature to undertake activities covered in Schedule VII of the Act.

2. A company may engage international organizations for designing, monitoring and evaluation of the CSR Activities.
3. The Company may also collaborate with other companies for undertaking projects or programs or 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 contribution of any amount, directly or indirectly to any Political Party or Parties under section 182 of the Act, for CSR Activities.
6. The Company may build CSR capacities of its own personnel as well as those of their implementing agencies through Institutions with established track record but such expenditure including expenditure on administrative overheads, shall not exceed specified limit as per the Companies (CSR Policy) Rules, 2014 of total CSR expenditure of the Company in one financial year.

7. PROCEDURE FOR CSR ACTIVITIES :

1. The Committee shall recommend to the Board suitable CSR projects or programs or 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.

8. ROLE OF THE COMMITTEE:

The Committee shall carry out of the following functions:

1. To formulate and recommend to the Board, the Corporate Social Responsibility (CSR) Policy which shall indicate the activities to be undertaken by the Company in areas or subjects specified in Schedule - VII;
2. To formulate and recommend to the Board, an annual action plan in pursuance of the CSR Policy, which shall include the following,
 - (i) the list of CSR projects or programmes which are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act, 2013.
 - (ii) the modalities of utilisation of funds and implementation schedules for the projects or programmes.
 - (iii) monitoring and reporting mechanism for the projects or programmes and
 - (iv) details of need and impact assessment, if any, for the projects undertaken by the Company.
3. To monitor the CSR Policy of the Company from time to time;
4. To ensure compliance of CSR Policy and the Rules;
5. 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.

9. 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.
