

EIMCO ELECON (INDIA) LIMITED

POLICY FOR CORPORATE SOCIAL RESPONSIBILITY (CSR)

1. Preamble:

At EIMCO ELECON (INDIA) LTD (**EIMCO**), we are committed to the EIMCO's vision of creating a more inclusive and greener India as a responsible corporate citizen. Our strategic Corporate Social Responsibility (CSR) initiatives actively work towards the Good and Green Goals and have helped us carve out a reputation for being one of the most socially and environmentally responsible companies in India. EIMCO focus has always been to contribute to the sustainable development of the society and environment, and to make our planet much better place for future.

For EIMCO, Corporate Social Responsibility means responsible business practices through the involvement of all stakeholders in the decision making process and in operations. It entails having business policies that are ethical, equitable, environmentally conscious, gender sensitive, and sensitive towards the differently abled.

2. Purpose:

The key purpose of this policy is to:

- Define what CSR means to us and the approach adopted to achieve our objectives.
- Define the kind of projects that will come under the ambit of CSR.
- Identify broad areas of intervention in which the Company will undertake projects.
- Serve as a guiding document to help execute and monitor CSR projects.
- Explain the manner in which the surpluses from CSR projects will be treated.

3. Objectives:

EIMCO's CSR policy intends to:

1. Support rural development, promoting education, providing preventive healthcare, providing sanitation and purification of water, creating livelihoods for people, especially those from disadvantaged sections of the society, in rural and urban India, preserving and promoting social developmental activities that positively impacts the society at large with a minimal resource footprint.
2. Encompass accountability for the Company's activities and inspire a positive impact through its actions on poverty, environment, hunger, communities, malnutrition and the society.
3. To promote sustainability in partnership with industry associations in order to have a multiplier impact.
4. Demonstrate commitment to the common good through responsible business practices and good governance.
5. Actively support the state's development agenda to ensure sustainable change.
6. Set high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models.
7. Engender a sense of empathy and equity among employees of EIMCO to motivate them to give back to the society.

4. Scope/Focus areas

As per the provisions of the Companies Act, 2013, EIMCO CSR activities will focus on:

- i. Eradicating hunger, poverty and malnutrition, promoting 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, agro-forestry, 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 arts and handicrafts;
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents;

- 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 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;
- viii. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- ix. Rural development projects.
- x. Slum area development.

The CSR Committee may decide to undertake above CSR activities through a Registered Trust or a Registered Society.

5. Funding & Allocation

For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, EIMCO shall allocate 2% of its average Net Profits calculated as per Section 198 of the Companies Act, 2013, as its Annual CSR Budget in each Financial Year.

From the Annual CSR Budget allocation, a provision will be made towards the expenditure to be incurred on identified areas, for undertaking CSR activities on a year on year basis.

Allocation of the Annual Budget for CSR activities in any given year shall be as per the provisions of the Companies Act, 2013 and rules made thereof as amended from time to time. Any unspent/unutilised CSR allocation of a particular year, will be carried forward to the next year, i.e., the CSR budget will be non-lapsable in nature.

6. Implementation

The Company's CSR programmes will be identified and implemented according to the Board's approved CSR policy.

The Company will enhance its monitoring and evaluation mechanism so as to ensure every programme has:

- i. clearly defined objectives (developed out of existing societal needs determined through baselines/studies/research), targets and time lines.
- ii. A robust progress monitoring system.
- iii. Impact assessments.
- iv. A reporting framework and system in alignment with the Act and Rules.

The CSR Committee may decide to undertake above CSR activities through a Registered Trust or a registered society or a company established by the Company.

EIMCO shall implement its CSR activities as approved by the CSR Committee that will be ultimately responsible for the CSR projects undertaken. The Committee will report to the Board of Directors. The Committee shall consist of the following Directors:

Mr. H.S. Prikh	-	Independent Director	- Chairman
Mr. P.C. Amin	-	Non Independent Director	- Member
Mr. P.M. Patel	-	Non Independent Director	- Member

7. Responsibilities of CSR Committee:

The CSR Committee of EIMCO will be responsible for:

- formulating the CSR policy in compliance to Section 135 of the Companies Act, 2013.

- identifying activities to be undertaken as per Schedule VII of the Companies Act 2013.
- recommending to Board the CSR expenditure to be incurred.
- recommending to Board, modifications to the CSR policy as and when required.
- regularly monitoring the implementation of the CSR policy.
- suggest areas for CSR contribution to the Board of EIMCO.
- approve projects that are in line with the CSR policy.
- monitoring CSR activities from time to time.

8. CSR Expenditure and Budget:

CSR expenditure will include all expenditure, incurred by the Company on CSR Programmes undertaken in accordance with the approved CSR Plan. The total budget for the CSR projects will be decided by the CSR Committee.

CSR Committee will recommend the annual budgeted expenditure project-wise to the Board for its consideration and approval.

Moreover, any surplus arising from any CSR Programmes shall be used for CSR. Accordingly, any income arising from CSR Programmes will be netted off from the CSR expenditure and such net amount will be reported as CSR expenditure.

9. Treatment of Surpluses:

Any surplus generated from CSR projects undertaken by us will be tracked and channelised into EIMCO's CSR corpus. These funds will be further used in development of the CSR projects and will not be added to the normal business profits.

Any or all provisions of the CSR policy would be subject to revision/ amendment by the Board of Directors of the Company based on the recommendations of the CSR Committee or else in accordance with the guidelines on the subject as may be issued, from time to time.

10. Effective Date:

This policy is effective from April 1, 2014.

11. Conclusion:

In case of any doubt with regard to any provision(s) of the policy, a reference can be made to CSR Committee of Board of Directors. In all such matters, the interpretation and decision of the CSR Committee of the Board of Directors shall be final.

The Board will review the policy from time to time based on changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary.

12. Queries/Contact details:

For queries related to the CSR Policy, kindly contact:

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