

CSR POLICY OF ELIN APPLIANCES PRIVATE LTD

(Approved by Board of Directors on July 27, 2016 and amended on October 9, 2021)

The CSR Policy of Elin Appliances Private Limited (hereinafter referred as EAPL) is issued within the framework of Section 135 of the Companies Act 2013 read together with Companies (Corporate social responsibilities policy) rules 2014 as amended from time to time.

Aims & Objectives

- ❖ Corporate Social Responsibility is EAPL's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical. Stakeholders include investors, shareholders, customers, Government and non-government organizations, local communities and society at large.

- ❖ Corporate Social Responsibility is essentially a way of conducting business responsibly and EAPL shall endeavour to conduct their business operations and activities in a socially responsible and sustainable manner at all times.

- ❖ The CSR Policy addresses social, economic and environmental concerns. EAPL will strive to contribute to inclusive growth and sustainable development by taking up activities in line with relevant provisions of Companies Act as stated above and schedule VII of the Act.

CSR Committee- Board Level Committee

A CSR Committee (hereinafter referred as CSRC) will be constituted with two Directors. CSRC shall be responsible for:

- i. Formulating the CSR policy of the company which inter-alia shall include list of CSR projects or programs which the company plan to undertake.
- ii. Modalities of execution of such projects and programs
- iii. Assessment and fixation of amount to be spent.
- iv. To oversee and monitor the implementation of the CSR policies.
- v. To recommend to the board of directors of EAPL to approve suitable policies to take forward the CSR.
- vi. To maintain the prescribed records and minutes.
- vii. Formulating an annual action plan in pursuance of its CSR policy which shall include the items as mentioned in Rule 5(2) of the Companies (CSR Policy) Rules, 2014 as amended.

CSR FRAMEWORK:

Selection of activities: The decisions regarding the selection of a CSR activity and its location will be taken with due diligence, by the CSRC.

Employees of EAPL: Employees of EAPL will not be the direct beneficiaries of the activities undertaken with the budget allocated for CSR.

Pooling of resources: EAPL may join hands and pool its resources for undertaking joint ventures in Public-Public Partnership/ corporate partnership mode. Such alliance will be to the extent and on terms and conditions as are permissible under the statute.

Activities in Project mode: All activities which are selected under CSR agenda for external stakeholders will be, as far as possible, implemented in project mode, and within the allocated budgets. Till the projects are identified, the company may undertake activities through a registered trust/society/section 8 company having established track record of at least three years in undertaking permissible CSR activities.

Location: In general, CSR activities / projects will be undertaken in the local area from where EAPL operates. However, EAPL may decide to locate CSR projects / activities anywhere in the country and approved by the CSRC.

Nature of projects: The nature of projects shall be selected out of activities as mentioned in **schedule VII of the Companies Act, 2013** as follows:

- i. eradicating hunger, poverty and malnutrition, promoting preventive health care and 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;
- 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;

- ix. contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- x. rural development projects
- xi. slum area development.
- xii. disaster management, including relief, rehabilitation and reconstruction activities

Project proposal: CSRC while approving the projects shall consider the following:

- a) Objectives
- b) Activities to be covered
- c) Performance indicators to monitor the stated objectives
- d) Implementation schedule with timelines
- e) Project cost covering project implementation cost, project expenditure, etc
- f) Payment schedule

Project approval: The CSRC may enter into necessary agreement/ MoU with project implementation/ monitoring agencies for successful implementation of the CSR in time bound manner. CSRC will authorise through a resolution any of its members to sign and execute the necessary documents on its behalf.

Budget & Finance

Budget: Every year, EAPL shall with the approval of BOD make a budgetary allocation for CSR activities for the year. The budgetary allocation will be determined in the manner that 2% of average net profits of the company made during immediately preceding three financial years is allocated for CSR. Net profit for the purpose shall mean as it has been defined in clause (h) of Rule 2 of Companies (Corporate social responsibility policy) rules 2014. The budget allocated for CSR activities for each financial year is to be spent within that year.

Surplus: The surplus arising out of CSR project or program or activities shall not form part of business profit of a company.

Implementation

Strategy: EAPL shall take steps to implement its CSR agenda within the organization through the active involvement of the employees, who are important internal stakeholders.

Agency: EAPL may utilize the services of specialized external agencies for the implementation of its CSR projects.

CSR Reporting:-

A quarterly report on the utilization of funds shall be forwarded to the members of the CSR Committee. The reporting shall be in the format as prescribed under amended CSR rules.

Every company having average CSR obligation of ten crore rupees or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of 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.

The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

A Company undertaking impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.”

Review Mechanism:-

A. CSR Committee

1. The Policy shall be reviewed atleast once in every three years and updated accordingly.
2. Recommend activities and the amount of expenditure to be incurred.
3. To review the quarterly report on CSR activities and the expenditure thereon.
4. Place the Review Report on utilization of funds before the Board of Directors.
5. shall formulate and recommend to the Board, an annual action plan 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 such projects or programmes as specified in CSR rules;
 - (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:

Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

B. Board of Directors

1. Ensure proper compliance of the Policy.
2. To review the CSR initiatives and Shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
3. Report annually the composition of the CSR Committee and the contents of this policy along with other information(s) as may be prescribed under the CSR Rules (as amended from time to time).
4. In case of ongoing project, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year-wise

allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.”

Display on the Website of the Company:-

- a) CSR policy
- b) Annual Action Plan
- c) Composition of CSR Committee

Monitoring: Monitoring of CSR project goes concurrently with implementation, and is essential to assess if the progress is on expected lines in terms of timelines, budgetary expenditure and achievement of physical targets. Overall implementation and monitoring of the CSR activities of EAPL will be overseen by CSRC.
