



# ECE INDUSTRIES LTD.

REGD. OFFICE : ECE HOUSE, 28-A, KASTURBA GANDHI MARG,  
NEW DELHI - 110001

PHONE : 23314237/4238/4239 E-mail : ecehodelhi1@gmail.com

CIN : U31500DL1945PLC008279 Website : www.eceindustriesltd.com

## CORPORATE SOCIAL RESPONSIBILITY POLICY

### 1. Background

Section 135 of the Companies Act, 2013 mandates the following companies to formulate and adopt a Corporate Social Responsibility (CSR) Policy and draw out a framework for CSR:

- a) Net worth of Rs. 500 Crore or more; or
- b) Turnover of Rs. 1000 Crore or more; or
- c) Net profit of Rs. 5 Crore or more

In accordance with the said mandate, since ECE Industries Limited qualifies on the criteria mentioned, it is required to formulate and adopt CSR Policy.

The objective of this Policy is to provide an overall CSR framework, which shall at all relevant times be closely aligned with the requirements of relevant provisions of the Companies Act, 2013.

### 2. Overview

ECE Industries Limited proposes to make a positive difference to society. The Company firmly believes that it has commitment to all its stakeholders - customers, employees and the community in which it operates and it can fulfil this commitment only by sustainable and inclusive growth. The company aims to improve quality of life through its positive intervention in the community.

ECE Industries Limited key CSR initiatives will be undertaken with a sustainable long-term view to benefit the society at large.

### 3. CSR Governance

At ECE Industries Limited, the Board of Directors of the Company has established a CSR Committee which has been entrusted with formulating a CSR Policy and transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company. The Committee shall also annually monitor the Corporate Social Responsibility Policy of the company.

### 4. Policy

The scope of activities which, the Company will undertake towards fulfilment of its CSR shall be in line with Schedule VII of the Companies Act, 2013, as amended from time to time, and any other applicable laws, regulations etc.

The company shall give preference to the local area and/or areas in the vicinity, for spending the amount earmarked for CSR activities. The CSR projects or programs or activities that benefit only the employees of the company and their families shall not be considered as CSR.



# ECE INDUSTRIES LTD.

REGD. OFFICE : ECE HOUSE, 28-A, KASTURBA GANDHI MARG,  
NEW DELHI - 110001

PHONE : 23314237/4238/4239 E-mail : ecehodelhi1@gmail.com

CIN : U31500DL1945PLC008279 Website: www.eceindustriesltd.com

## 5. Collaboration for CSR

The CSR Committee after seeking approval from the Board of Directors of the Company may undertake its CSR activities 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 Companies Act, 2013. Further, the company may choose to collaborate with other companies for undertaking projects or programs 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 programs in accordance with Companies (Corporate Social Responsibility Policy) Rules, 2014 and amendments thereto.

## 6. CSR Budget

The annual budget for ECE Industries Limited CSR initiative shall be approved by the CSR Committee and Board of Directors of the Company.

## 7. CSR Expenditure:

The company shall endeavour to spend, in every financial year, at least 2% of the average net profits made during the three immediately preceding financial years or as per regulatory guidelines, in pursuance of its CSR Policy and if the company fails to spend such amount, the Board shall, in its report specify the reasons for not spending the amount, and, unless the unspent amount relates to any ongoing project referred in Companies Act, 2013, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

CSR expenditure shall include all expenditure relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on an item not in conformity or not in line with activities which fall within the areas or subjects, specified in Schedule VII of the Companies Act, 2013.

Any surplus arising out of the CSR activities shall not form part of the business profit of a 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.

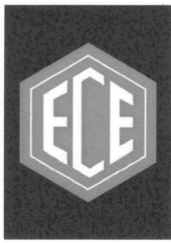
Where a company spends an amount in excess of requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that –

- i the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule.
- ii the Board of the company shall pass a resolution to that effect

The CSR projects or programs or activities undertaken only in India shall qualify as CSR Expenditure.

The CSR spending can be either revenue expenditure or capital expenditure or both.

(Note: "Average Net Profit" shall be calculated in accordance with the provisions of section 198 of the Companies Act, 2013)



# ECE INDUSTRIES LTD.

REGD. OFFICE : ECE HOUSE, 28-A, KASTURBA GANDHI MARG,  
NEW DELHI - 110001

PHONE : 23314237/4238/4239 E-mail : ecehodelhi1@gmail.com

CIN : U31500DL1945PLC008279 Website : www.eceindustriesltd.com

## 8. CSR Reporting:

The CSR Committee shall forward a report to the Board on an annual basis containing following particulars:

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;

- The manner of execution of such projects or programmes as specified in sub-rule (1) of Rule 4;
- The modalities of utilization of funds and implementation schedules for the projects or programmes;
- Monitoring and reporting mechanism for the projects or programmes; and
- Details of need and impact assessment, if any, for the projects undertaken by the company
- Compliance with CSR objectives and Policy of the company.

The Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee.

The Board's Report of a company pertaining to any financial year shall include an annual report on CSR containing particulars as specified in the Companies Act, 2013.

## 10. Monitoring and Feedback

The CSR Committee shall meet as and when the need arises to review and guide the CSR activities of the Company. They shall meet *inter alia* to monitor the progress of CSR programs, CSR spending, and review if any changes are required.

The Company will incorporate the details of CSR activities, including a physical and financial process in the annual report of the Company.

The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.