

CSR Policy

Background

Electronica Finance Ltd. ('EFL' or 'the company') has been early adopter of Corporate Social Responsibility (CSR) initiatives, much before the implementation of CSR act. We believe upon the philosophy of Mahatma Gandhi who used to say that the business should treat the available resources as the resources given in trust by the society. Thus CSR is not charity or mere donations but a way going beyond business as usual, creating shared values and contributing to social & environmental good along with the Economic.

Scope

This policy will guide the CSR efforts of EFL & apply to all projects/programs undertaken by EFL. EFL will have all rights / authorities to amend, review the policy document in reference to relevant code of conducts, corporate governance to insure best practices as per international standards. This policy is in line with Companies Act.

This Policy documents allows EFL to plan & channelized its CSR efforts in a particular direction to make difference amongst local communities, allows us to contribute towards the sustainable development of Society at large.

Objective

This Policy shall be read in line with Section 135 of the Companies Act 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other rules, regulations, circulars, and notifications (collectively referred hereinafter as Regulations) as may be applicable and as amended from time to time and will, inter-alia, provide for the following:

- Establishing a guideline for compliance with the provisions of Regulations to dedicate a percentage of Company's profits for social projects.
- Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting
- Creating opportunities for employees to participate in socially responsible initiatives.

Focus Areas

Hunger, Poverty, Malnutrition, and Health:

Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.

Education:

Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.

Gender Equality & Women Empowerment:

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;

Environmental Sustainability:

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.

Rural Development:

Handling rural development projects which will include projects like improving accessibility, housing, drinking water, sanitation, power & livelihoods etc.

Undertakings of CSR Activities:

EFL will undertake CSR activities, approved by the CSR Committee, through its CSR cell/team or such other entities /NGO's as approved by CSR Committee.

CSR Committee

EFL will institute a CSR committee of the Board consisting of 3 or more directors including at least 1 independent director. The committee will meet at least 3 times in a year. The following shall be the terms of reference of the committee.

- a. To formulate CSR strategy, policy & goals
- b. To monitor CSR poly & performance
- c. To evaluate the progress of various projects and initiative

CSR Budget

The overall amount to be committed to CSR will be approved by MD office & Board as a part of EFL's annual budget. Within budgeted amount, specific CSR initiatives/projects will be approved in line with the process approved by the CSR Committee of the Board. All Projects / Initiatives undertaken by EFL will be approved or ratified by the EFL's CSR Committee.

Implementation

The CSR Department will implement and Monitor CSR projects or initiatives. Implementation process of various initiatives will be broad – based with involvement of EFL's Employees/Units or through implementing agencies like NGO's, Trusts, Societies, Section 8/ Section 25 companies, DST certified incubation centers or through collaborative projects with other corporates. In case of the Implementing agency being a NGO, the entity should typically have not less than 3 years of experience in implementing projects, in the respective area.

The Implementation partner will also be screened based on the EFL internal screening criteria to ascertain entities credibility and its ability to execute the proposed projects.

Monitoring

The CSR dept. will have responsibility of monitoring approved projects and funds disbursement for each projects and funds disbursement for such projects. Monitoring will include visits, meetings. A system should be in place to maintain a transparent monitoring and reporting mechanism across all the stakeholders involved in the CSR activities of the EFL, as desired by the CSR rules section 135.

Reporting

Significant CSR activities and achievements will be reported as part of the Directors' report in the EFL's Annual Report and also as per any other statutory & regulatory reporting requirements.