

ELGI ULTRA LIMITED

CIN: U29309TZ2017PLC029610

Regd. Office : INDIA HOUSE, 1443/1, Trichy Road, Coimbatore - 641 018, Tamilnadu, India.

Phone : +91 422 2304141 Fax : +91 422 2301377

Website: www.elgiultra.com E-mail: info@elgiultra.com

CORPORATE SOCIAL RESPONSIBILITY POLICY

INTRODUCTION

Pursuant to Section 135 of the Companies Act, 2013 (the Act) and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the Rules), the Government of India has mandated certain class of companies to undertake Corporate Social Responsibility initiatives.

Elgi Ultra Limited (the "Company") being covered by these rules has formulated a Corporate Social Responsibility Policy considering its long history of implementing socially focused activities.

This CSR Policy contains principles that will guide future CSR projects / Programmes / activities, such as scope of CSR activities, the geography within which the activities are to be carried out, procedure for obtaining Board approval, monitoring mechanism for projects, programmes and activities etc.

The Board of Directors (the "Board") of the Company has adopted the following policy and procedures regarding Corporate Social Responsibility.

PHILOSOPHY

The Elgi group of companies have a long history of implementing socially focused activities. Having established Coimbatore as its industrial base and headquarters, the Company has now been engaged in education and community development projects in and around Coimbatore for several decades. The Company has always contributed to the enhancing societal sustainability along with economic and environmental sustainability. The Company always believed that serving the community around it in some form is one of the purposes of its business. Enhancing human excellence and improving quality of life is Company's endeavour. Corporate Social Responsibility ("CSR") activities of Company are independent of the normal conduct of Company's business. Going forward, CSR activities are expected to cover other areas too.

DEFINITIONS

The terms defined in this CSR Policy shall have the meanings as defined in the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory amendments, modifications or enactments or re-enactments thereof for the time being in force).



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CSR PROJECTS / ACTIVITIES

The Company shall undertake the activities as recommended by the Corporate Social Responsibility Committee, if any, and approved by the Board of Directors in accordance with the provisions of Section 135 and Schedule VII of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (as amended from time to time), including but not limited to the following:

- 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.
- promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- 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.
- 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.
- 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.
- 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.
- training to promote rural sports, nationally recognised sports, paralympics sports and Olympic sports.
- 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 govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women.
- Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government.



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- Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under 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) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- Rural development projects.
- Slum area development.
- Disaster management, including relief, rehabilitation and reconstruction activities.
- Any other activity as may be specified in Schedule VII of the Act from time to time.

GEOGRAPHICAL AREA

The Company may undertake CSR activities anywhere in India as allowed under the Act. However, preference may be accorded for the geographical locations (district, city / town or village) where the Company's operations are being carried out.

CSR EXPENDITURE

- The Company shall, in every financial year, spend at least two percent of the Average Net profits of the company made during the three immediately preceding financial years towards any of the CSR activities in accordance with the Policy.
- In any financial year, if the company spends an amount in excess of the requirements provided under Section 135(5) of the Act, such excess amount may be set off against the requirement to spend under Section 135(5) of the Act 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 Rule 7(2) of the rules.
 - ii. the Board of the company shall pass a resolution to that effect.
- CSR expenditures will include all expenditures, direct or indirect, incurred by the Company on CSR programmes undertaken in accordance with the approved CSR Annual Action Plan. The administrative overheads shall not exceed five percent of the total CSR expenditure of the company for the relevant financial year.



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- The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by:
 - i. a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under rule 4(2) of the Rules; or
 - ii. beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
 - iii. a public authority;
- Any surplus arising out of any of the CSR projects / activities shall not form part of the business profits of the company and it shall be:
 - i. ploughed back into the same CSR project / activity (or)
 - ii. transferred to the Unspent CSR Account and spent in pursuance of this CSR policy and annual action plan of the company (or)
 - iii. transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

UNSPENT CSR AMOUNT

The unspent CSR amount shall be dealt in the following manner:

Where the unspent CSR amount does not relate to any ongoing CSR project:

- If in any financial year, the Company is unable to spend the amount as required under Section 135(5) of the Act, the amount remaining unspent (unless the unspent amount relates to an ongoing project) pertaining to that financial year shall be transferred to any of the Funds specified in Schedule VII of the Act within a period of six months from the date of the expiry of every financial year or to such fund as may be prescribed in the Rules from time to time.

Where the unspent CSR amount relates to any ongoing project:

- The unspent CSR amount relating to any ongoing project, which is being undertaken by the Company in pursuance of this policy, shall be transferred to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account by the company within a period of thirty days from the end of the financial year.



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The amount so transferred shall be spent by the company in pursuance of its Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII of the Act, within a period of thirty days from the date of completion of the third financial year.

SELECTION OF CSR PROJECT / ACTIVITY

- The CSR Committee of the Company, if any, shall formulate and recommend to the Board of Directors and the Board of Directors may approve, an Annual Action Plan for every financial year in pursuance of this policy, which shall include the following, namely:
 - i. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act.
 - ii. the manner of execution of such projects or programmes as specified in rule 4(1) of the rules.
 - iii. the modalities of utilisation of funds and implementation schedules for the projects or programmes.
 - iv. monitoring and reporting mechanism for the projects or programmes; and
 - v. details of need and impact assessment, if any, for the projects undertaken by the company.
- While formulating the Annual Action Plan, the CSR Committee, if any, or the Board of Directors shall give preference to the local area and areas around it where it operates, for identification of CSR projects / activities and spending the amount earmarked for such projects / activities.
- The Board may alter such plan at any time during the relevant financial year, as per the recommendation of its CSR Committee, if any, based on the reasonable justification to that effect.

EXECUTION AND IMPLEMENTATION

- The CSR activities may be undertaken by the company itself or by contributing to the following Implementing Agencies:
 - (a) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961, established by the company, either singly or along with any other company, or



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- (b) 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
 - (c) any entity established under an Act of Parliament or a State legislature; or
 - (d) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
- If any CSR activity is proposed to be undertaken by the Company through any of the entity covered under clause (a) to (d) above, then such entity should have been duly registered with the Central Government and must have a valid "CSR Registration Number".
 - The company may also engage any international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per this policy as well as for its capacity building for CSR.
 - The company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR Committees of such respective companies are in a position to report separately on such projects or programmes in accordance with the rules.
 - The Chief Financial Officer / Financial Controller of the Company shall submit a certificate to the Board of Directors that the CSR funds so disbursed have been utilised for the purposes and in the manner as approved by the Board of Directors.

MONITORING

- The CSR Committee, if any, or the Board of Directors shall be responsible to monitor the Corporate Responsibility Policy of the Company from time to time and recommend amendments or revisions whenever required in accordance with the Act.
- In case of ongoing project, the Board of Directors 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 time period as permitted under the Act and the Rules.

CSR REPORTING

- In every financial year, an annual report on the CSR containing the particulars as specified in the Act and the Rules shall be included in the report of the Board of Directors submitted to the Shareholders under Section 134 of the Act.



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- Where the company's average CSR obligation is Rs.10 crore or more in pursuance of Section 135(5) of the Act, in the three immediately preceding financial years, the Company shall undertake impact assessment, through an independent agency, of its CSR projects/activities having outlays of Rs.1 crore 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 of Directors and shall be annexed to the annual report on CSR.
- The Company shall post on its website the CSR Policy, composition of CSR Committee, if any, Projects approved by the Board and the report of the Board of Directors of the Company on the CSR activities in the prescribed format.

GOVERNANCE

- The CSR committee, if any, or the Board of Directors will assign the task of implementation of the CSR plan within specified budgets and timeframes to such persons, entities or bodies as it may deem fit in accordance with this policy.
- The persons/ entities/ bodies to which the implementation is assigned will carry out such CSR programmes within the specified budgets and timeframes and provide feedback to the CSR committee, if any, or the Board of Directors on the progress thereon.
- The CSR committee, if any, or the Board of Directors shall review the implementation of CSR programmes and issue necessary directions from time to time to ensure orderly and efficient execution of these programmes in accordance with this policy.
- Where the amount to be spent by a company under Section 135(5) of the Act does not exceed Rs. 50 lakhs, the Company may not constitute a Corporate Social Responsibility Committee and the functions of such Committee provided under the Act and the rules made thereunder shall be discharged by the Board of Directors of the company.

POLICY OPERATION AND REVIEW

The CSR Policy was initially adopted by the Board of Directors of the Company at their meeting held on 14th September 2019 and was subsequently amended by the Board of Directors of the Company at their meeting held on 23rd June 2021.

In case of any major changes to the Policy, the Board of Directors shall amend this policy, as may be required to be in line with the changes, amendments and modifications if any in the Companies Act, 2013 and the Rules made thereunder.



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Further, in case of any amendment, clarification, circular, notification etc., issued by a competent authority, which is not consistent with the provisions laid down under this Policy, the provisions of such amendment, clarification, circular, notification, etc., shall prevail and this policy shall stand amended accordingly, without any further action, on and from the date on which such amendment, clarification, circular, notification comes into effect.

For ELGI ULTRA LIMITED



B BALAKRISHNAN

DIN:00005278

MANAGING DIRECTOR

