

## **PREAMBLE**

The Board of Directors (the "Board") of Equipments Limited (the "Company") has adopted the following policy and procedures with regard to Corporate Social Responsibility as below. The Board may review and amend this policy from time to time. This Policy will be applicable to the Company effective 1 October 2014. This Policy is in terms of Clause 49 of the Listing Agreement with the Stock Exchanges.

## **Philosophy**

The Elgi group of companies has a long history of implementing socially focussed activities. Having established Coimbatore as its industrial base and headquarters, Company has been engaged in education and community development projects in and around Coimbatore for a number of decades now. Company has always contributed its mite to enhancing societal sustainability along with economic and environmental sustainability. 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.

## **CSR Policy**

It is Company's CSR policy:

To direct CSR programmes, amongst others, towards achieving one or more of the following- Providing Relief to the poor, Spreading of education, medical relief, sanitation, making available safe drinking water, advancement of any object for the physical, mental and spiritual well being of the general public and advancement of any other object of general public utility.

To establish, acquire, maintain, manage and/or support schools, colleges, vidyapiths, training institutes, balamandirs, study centres, universities, planetarium and other institutions for imparting education, vocational skills, livelihood enhancement projects and training to students.

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;

Protection of National Heritage, art and culture including restoration of buildings and sites of historical importance and works of art; promotion and development of traditional arts and handicrafts;

Measures for the benefit of armed forces veterans, war widows and their dependants

To establish and support professorships, fellowships, lectureship, scholarship and prizes at schools, colleges and other educational institutions,

To contribute funds for technology incubators located within academic institutions which are approved by Central Government;

Contribution to the Prime Ministers 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 woman

To grant endowments at universities, research institutions and educational and scientific institutions, for spread of education and knowledge in all branches of knowledge.

To assist in the promotion of research and development in various fields of higher education in its widest and most comprehensive sense.

To assist students in pursuing their academic, professional and other studies , economically or otherwise.

To promote music, drama, dance, sports, fine arts and to render assistance to institutions and students in these fields.

To establish , support and maintain libraries, museums, reading rooms, auditorium for advancement of education, cultural activities and knowledge in general.

To set up hospitals or other medical institutions and making donations to hospitals, charitable dispensaries, convalescent homes, asylums and other public institutions for administering medical relief to the poor.

To render aid and relief to the poor and deserving persons at all times during epidemic, famine, floods, earthquake and unforeseen natural calamities.

To help poor widows, aged persons, physically and mentally challenged persons and destitute persons, including setting up homes, orphanages and the like.

To help working women by establishing, assisting and running hostels.

To aid, assist, donate to societies, institutes, trusts and other funds whose objects are similar.

To pursue CSR programmes in relevant local areas to fulfil commitments arising from requests by governmental/regulatory authorities and to spend monies through administrative bodies of the government and/or directly by way of developmental works in local areas around which Company operates.

To provide equal opportunities to beneficiaries of Company's CSR programmes as vendors or employees on merit.

To promote sustainability in partnership with industry associations , like the CII, FICCI, ASSOCHAM, MCCI etc.

To promote or aid Rural Development projects

### **Implementation**

To implement Company's CSR programmes through Company's employees or through external implementing agencies or through registered trusts, foundations and charitable organisations as may be decided by Company from time to time. In such cases, Company will specify the CSR programmes which may be undertaken by those trusts in accordance with their objects and administrative and accounting processes laid down in the respective trust deeds/memoranda and articles of association.

### **Governance**

1. Every year, the CSR committee of the board of directors of Company will place for the board's approval, a CSR plan delineating the CSR programmes to be carried out during the financial year and the specified budgets thereof. The board will consider and approve the CSR plan with any modifications that may be deemed necessary.
2. The CSR committee will assign the task of implementation of the CSR plan within specified budgets and timeframes to such persons or bodies as it may deem fit.
3. The persons/bodies to which the implementation is assigned will carry out such CSR programmes as determined by the CSR committee within the specified budgets and timeframes and report back to the CSR committee on the progress thereon at such frequency as the CSR committee may direct.
4. The CSR committee shall review the implementation of the CSR programmes once in a year and issue necessary directions from time to time to ensure orderly and efficient execution of the CSR programmes in accordance with this policy.
5. Once in six months, such persons or bodies will provide a status update to the CSR committee on the progress and implementation of the approved CSR programmes carried out during the six month period. It shall be the responsibility of

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the CSR committee to review such reports and keep the board apprised of the status of implementation of the same.

6. At the end of every financial year, the CSR committee will submit its report to the board.

### **CSR Expenditure**

As a policy, Company has been expending up to 4% of its net profits every year towards CSR activities for very many years now. Though the endeavour is to continue the spend year after year, the expenditure may not be uniform for all coming years as the percentage of allocation for CSR activities is directly co-related to the profits of Company. CSR expenditure will include all expenditure, direct or indirect, incurred by Company on CSR programmes undertaken in accordance with approved CSR plan.

### **Disclosure**

This policy along with changes, if any, from time to time, should be placed on the Company's website.