

## CSR POLICY

### VISION

To enrich the lives of people through the process of social upliftment, by promoting inclusive growth and recharge the environment through sustainable process.

### OBJECTIVES

- To assist socially and economically weaker segments of society to overcome hardship and impoverishment of stakeholders.
- To create community assets for the development of society.
- To reinforce the positive & socially responsible image of EIL.
- To enhance increased commitment at all levels in the organization towards reinforcing the social and environmental conscience.

### BUDGET ALLOCATION AND EXPENDITURE

- Annual Budget shall be at least 2% of the average net profits (PBT) made during the three immediately preceding financial years.
- Administrative overheads (incurred for general management and administration of CSR functions), if any, shall not exceed 5% of its total CSR expenditure for the financial year.
- Any amount remaining unspent pertaining to any ongoing CSR project, shall be transferred by EIL to a special account "Unspent Corporate Social Responsibility Account" within 30 days from the end of financial year. EIL shall also transfer the amount to a fund specified in Schedule VII in case:-
  - The amount transferred in this special account is not utilized for CSR activities within 03 years of such transfer
  - Any unspent amount which does not pertains to any ongoing CSR project within a period of six months of the expiry of the financial year
- Any surplus arising out of the CSR activities shall not form part of the business profit of EIL 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 EIL or shall be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- Any amount spent in excess of requirement provided under sub-section (5) of section 135 of the Act, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 upto immediate succeeding three financial years subject to condition that 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) sub-rule (2) as amended by the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 and any further amendments thereto. The excess amount for set off shall be approved by the Board.



- EIL may spend CSR amount for creation/ acquisition of a capital asset, which shall be held by:
  - beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
  - a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number in compliance with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 and any further amendments thereto; or
  - a Public Authority
- EIL may book the expenditure incurred towards impact assessment, which shall not exceed 2% of the total CSR expenditure for that financial year or Rs. 50 Lakh whichever is higher.

### **CSR ACTIVITIES/ PROJECTS/ PROGRAMMES**

**Thrust/ Focus Areas:** CSR Activity(ies) shall be taken in compliance with Schedule VII of Section 135 of The Companies Act and various circulars/ amendments/ guidelines/ directives/ rules/ notifications issued by various ministries/ departments of Govt. of India. However, the main focus areas of EIL's CSR shall be:-

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|--|---|
| • Education / Skill Development          | • Healthcare & Nutrition                              |
| • Drinking Water / Sanitation            | • Rural Development                                   |
| • Environment Protection/ Sustainability | • Upliftment of underprivileged                       |
| • Women Empowerment                      | • Supplement specific government programmes / schemes |

**Location:** CSR Activity(ies) shall be undertaken preferably in and around EIL's area of operation, which includes but are not limited to Project Sites and Offices within India with special focus on backward areas & aspirational districts notified by Govt. of India.

**Annual Action Plan:** EIL shall prepare Annual Action Plan which shall include the list of ongoing CSR Projects or Programmes that are approved to be undertaken every year in areas or subjects specified in Schedule VII along with the manner of execution, modalities of utilization of funds, implementation schedule, monitoring and reporting mechanism and details of need and impact assessment, if any and shall be approved by Board. Annual Action Plan shall also include list of Thrust/ Focus areas where the activities are planned to be undertaken during the FY.

**Implementing Agency:** CSR Activity(ies) shall be undertaken directly by EIL itself or through:-

- a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company; or
- 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



- a statutory body constituted under an Act of Parliament or State legislature to undertake activities covered in Schedule VII of the Act; or
  - a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
- Each implementing agency w.e.f. 01.04.2021 should have a unique CSR Registration Number.

#### **Implementation of CSR Activity(ies)**

- EIL shall implement its CSR activity(ies) as per the Annual Action Plan:
- EIL shall ensure that the timelines for Ongoing Projects does not exceed three years excluding the financial year in which it was commenced. And for all ongoing projects, the Board of EIL shall monitor the project implementation with reference to the approved timelines and year-wise allocation and shall make modifications, if any, for smooth implementation of the project within the overall permissible time period.
- EIL may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR committees of EIL & collaborated company report separately on such projects or programmes in accordance with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 and any further amendments thereto.

#### **Monitoring & Utilization of Funds:**

- EIL shall monitor its CSR activity(ies) by obtaining documentary proofs (such as photos/ videos/ details of beneficiaries/ utilization certificate) & site visits by EIL officials, if required and eventually ascertain the project progress/ completion.
- The Board of EIL shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer shall certify to the effect.
- Impact assessment shall be carried out through an independent agency, for CSR projects with an outlay of one crore rupees or more and which have been completed not less than one year before undertaking the impact study.

#### **REPORTING**

- The Board's Annual Report of EIL shall include a report on CSR containing particulars specified in Annexure II as amended by the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2022 and any further amendments thereto.
- The impact assessment reports shall be placed before the Board and shall be uploaded on the CSR web page of EIL. Web-links of these reports shall be mentioned / the reports shall be annexed, in Annual Report on CSR.
- A report on CSR shall also be furnished in Form CSR-2, as prescribed in the Companies (Accounts) Amendment Rules, 2022.



## DISCLOSURE

Details about CSR Policy, composition of the CSR Committee and approved CSR projects shall be displayed on website of EIL.

## MISCELLANEOUS


The CSR Policy of EIL is in conformity with the provisions of The Companies Act, 2013 and applicable rules. Any point not covered by this policy would be interpreted in accordance with the Companies Act 2013 and rules made thereunder.

Dated : March 22, 2023



(Vartika Shukla)

Chairman & Managing Director



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