

**ELECTRONICS CORPORATION OF TAMIL NADU LIMITED**  
**(A Government of Tamil Nadu Undertaking)**  
**CHENNAI – 600035**

**Corporate Social Responsibility**  
**(CSR) – Policy Document**

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## **Corporate Social Responsibility (CSR) Policy**

### **About ELCOT**

Electronics Corporation of Tamil Nadu Limited, hereinafter referred to as "ELCOT" was registered under the Indian Companies Act, 1956 as a Company with the Registrar of Companies, Tamil Nadu on the 21st day of March 1977. It was registered as a Company with the entire shareholding being held by the Government of Tamil Nadu and ELCOT has been continuing to be a wholly owned Government of Tamil Nadu Undertaking. ELCOT was established with the main objective to promote, establish and run State Public Sector Enterprises for Electronic items; manage, supervise, finance, advise, assist, aid or collaborate with any association, firm, company, enterprise, undertaking, institution or scheme for the advancement and development of all branches of electronics and of industries and business concerns based on or relating to electronics.

ELCOT started its commercial operations during the year 1980-81 and it has successfully completed 34 years of its effective business life. ELCOT, which has started making profits from the year 1988-89, has been continuing to be profitable and has been growing steadily over the years. With the liberalization and globalisation of the Indian economy during the beginning of the decade starting 1990, the various Joint / Associate Venture Companies started by ELCOT had suffered serious set back mainly due to the fact that most of the promoters in such Joint / Associate Ventures were first generation technocrat entrepreneurs who could not withstand the onslaught of the competition from big foreign companies entering into India and posing a huge competition to the Indian manufacturers due to the advantages of scales of economy. So, from the middle of the decade in 1990, ELCOT has gradually re-engineered itself as a Procurement Agency of the Government of Tamil Nadu catering to the needs of the various Government Departments / Public Sector Undertakings and Organizations in Tamil Nadu in respect of electronic and IT projects and products.

The major projects which have been implemented successfully by ELCOT are preparation and issue of Voter ID Cards to the electorate in Tamil Nadu, preparation and issue of Family Cards to the people of Tamil Nadu, implementation of computer education for the students in the Government Higher Secondary Schools in Tamil Nadu, implementation of computer education to the students in Government Arts and Science Colleges, Medical Colleges, Law Colleges in Tamil Nadu.

Further, ELCOT has also been rendering an effective service as Optional Procurement Agency for the procurement of various IT and IT related products of the Government Departments / State Public Sector Undertakings / Boards etc. in Tamil Nadu including the procurement and supply of Laptop computers for distribution to the students in Tamil Nadu.

As per the provisions of the Companies Act, 2013, under Section 135, ELCOT falls under the category of companies, which have to spend at least 2% of their average net profits towards specified Corporate Social Responsibility (CSR) activities. In this connection, the CSR Policy has been framed as detailed below:

## **CSR Policy – Process Structure**

The various steps in undertaking an effective CSR activity are outlined below:

### **Institutional setup**

#### **CSR Committee - Formation**

The first step towards formalizing CSR Policy in a corporate structure is the constitution of a CSR Committee as per specifications in the Companies Act, 2013. The CSR Committee comprising the Directors on the ELCOT Board has been formed. The mandate of the CSR Committee is as follows:

To formulate and recommend CSR activities to the Board

To recommend amount of expenditure to be incurred on CSR activities.

To ensure implementation activities taken up under CSR program

To monitor the CSR Policy of the Company from time to time

To institute a transparent monitoring mechanism for implementation of the CSR Projects / Programmes / Activities undertaken by the Company

### **Strategy and policy:**

1. The concept of CSR is governed by Section 135 of the Companies Act, 2013 and the Act encourages companies to spend at least 2% of their average net profit of past three financial years, towards CSR activities.
2. ELCOT recognizes that its business activities have direct and indirect impact on the society. Further, ELCOT strives to integrate its business values and operations in an ethical and transparent manner to demonstrate its commitment to sustainable development.

### **Sectors:-**

The Government of India, Ministry of Corporate Affairs vide its notification GSR 130(E), dated 27<sup>th</sup> February 2014 listed the following items as eligible for Corporate Social Responsibility (CSR) expenditure:-

- i) “ eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.
- ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and differently abled and livelihood enhancement projects.
- iii) 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.
- iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources, and maintaining equality of soil air and water.
  - v) 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 arts and handicrafts.
  - vi) Measures for the benefit of armed forces veterans, war widows and their dependents.
  - vii) Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports;
  - viii) contribution to the Prime Minister's 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 women;
  - ix) contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
  - x) rural development projects ”

ELCOT would spend the amount towards the Corporate Social Responsibility (CSR) as per the guidelines from time to time.

### **Guidelines for submission of proposal / release of funds:**

1. The requisitioning body / implementing agency shall submit a request for release of CSR fund.
2. The proposal received from the requisitioning body / implementing agency shall be submitted to the Committee for its recommendation, subject to availability of funds under CSR activity. Such proposal will be considered for approval by ELCOT Board for sanction of funds under CSR.
3. Upon approval of ELCOT Board, the funds will be released to the requisitioning body/implementing agency. The funds released shall be

utilized within two years from the date of release.

4. The projects/activities sanctioned during previous years under CSR or sustainable development shall also be considered for release of fund under CSR, for successful completion.
5. The implementing agency shall submit implementation as well as draw down schedule, for completion of the CSR project / activity.
6. The CSR fund will be released to the implementing agency either in one or two installments, subject to approval of the CSR Committee and ELCOT Board.
7. The unspent amount shall be returned to ELCOT and the same will be transferred to CSR Account, which may also be used for any other CSR project activities subject to approval of the Committee.

### **Guidelines for monitoring Mechanism**

1. The implementing agency shall submit the periodical progress report for every quarter of the financial year for physical as well as financial progress, during the implementation of the project / activity under CSR.
2. Progress Report showing the physical progress of the project wherever possible, should be submitted every quarter.
3. The implementing agency shall submit the bank statement every quarter related to the CSR Project / activity.
4. The implementing agency shall return the unspent amount kept under CSR account, if it is more than three months period and the same may be availed based on the request and requirement.
5. The implementing agency shall submit the Utilization Certificate for amount received and utilized, from the respective Chief Executive Officer/ Head of the project / activity.
6. CSR Committee reserves the right to inspect the progress of the project/ activity and verify the utilization of funds as claimed by the implementing

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agency, through a nominated person.

7. The implementing agency shall inform about the completion of the project / activity through a certificate duly signed by the Chief Executive Officer / Head of the implementing agency.

**Managing Director**  
**ELCOT**