

CORPORATE SOCIAL RESPONSIBILITY POLICY

Encardio-rite Electronics Pvt. Ltd.
A-7 Industrial Estate, Talkatora Road
Lucknow, UP-226 011

INDIA



1. OBJECTIVE

Corporate Social Responsibility (CSR) activities at Encardio-rite are already in existence for the benefit of its employees and their immediate family members and contribution to organizations that are engaged in the betterment of society in the field of education and medical help.

Integrating social, environmental and ethical responsibilities into the governance of business ensures long term success, competitiveness and sustainability. CSR makes good business sense as companies with an effective CSR policy, have an image of socially responsible companies, achieve sustainable growth in their operations in the long run and their products and services are preferred by customers.

Main objective is to make CSR a key business and social process for sustainable development of society. Encardio-rite will act as a good corporate citizen and aims at supplementing the role of Government in enhancing welfare measures for the benefit of society within the framework of its policy.

Albert Einstein – *“Every day I remind myself that my inner and outer life are based on the labors of other men, living and dead, and that I must exert myself in order to give in the same measure as I have received and am still receiving”.*

Encardio-rite’s CSR scheme is a small measure in our endeavour to pay our debt to society. Reaping benefits from society in every way, it is our responsibility to pay back in return to the society in terms of helping the needy, preservation of nature, keeping environment clean and safe, adhering to the best industrial practices and adopting best technologies, so on and so forth. It is the Company’s intent to make a positive contribution to the society in which we operate. Encardio-rite believes and acts on an ethos of generosity and compassion, characterized by a willingness to build a society that works for the betterment of our planet.

The scheme is titled as “Encardio-rite CSR Policy”.

2. FOCUS AREAS

In accordance with requirement under the Company’s Act 2013, Encardio-rite CSR activities, amongst others, will focus on:

ERADICATING hunger, poverty and malnutrition; promoting preventive health **care** and sanitation; making available safe drinking water; reducing child mortality, improving maternal health and combating diseases.

PROMOTING cleanliness including construction of toilets.

PROMOTING education and employment enhancing vocation skills especially among children, women, elderly and differently abled; livelihood enhancement projects and making monetary contributions to academic institutions for establishing endowment funds, chairs, laboratories, etc. with the objective of assisting students in their studies.

PROMOTING gender equality and empowerment of women; setting up homes and hostels for women and orphans; setting up old age homes, day care centres and 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; development of public libraries; promotion and development of traditional arts and handicrafts.

TRAINING to promote rural sports, nationally recognised sports, Paralympic and Olympic sports

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

HELP to create sustainable villages through social business projects, rural development projects, strengthening rural areas by improving accessibility, housing drinking water, sanitation, power and livelihoods etc.

ANY OTHER MEASURES with approval of Board of Directors on recommendation of the CSR Committee subject to the provisions of Section 135 of Companies Act, 2013 and rules made thereunder.

CSR activities undertaken by Encardio-rite as projects or programs (either new or ongoing) will exclude activities undertaken in pursuance of its normal course of business.

Activities that are exclusively for the benefit of Encardio-rite employees or their family members shall not be considered as CSR activity.

3. UNDERTAKING CSR ACTIVITIES

Encardio-rite will undertake its CSR activities itself as recommended by the CSR Committee and approved by the Board of Directors or through a Registered Trust, Society or any such other entity/organization or by making contributions to such trust/society who are engaged in CSR activity as approved by the CSR Committee.

The surplus arising out of the CSR activities, projects or programs shall not form part of the business profit of the Company.

4. CSR COMMITTEE

The Board of Directors shall appoint the CSR Committee which will consist of three Directors and two members. The CSR Committee shall have a term of three years after which it will be re-constituted/re-appointed. To start with, as per the approval of the Board of Directors, the CSR committee consists of the following:

- Mr. Desh Bandhu Bhargava – Member
- Mr. Keshav Lal Gupta - Member
- Ms. Parnika Khanna - Director
- Mr. Amit Gujral - Director
- Ms. Arushi Bhalla - Director

The responsibilities of the CSR Committee include:

- Formulate and recommend to the Board of Directors the CSR Policy and any amendments thereof which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act 2013.
- Make any changes as required with the passage of time or remove any doubts on the CSR policy of the Company, subject to approval of the Board.
- Recommend the amount of expenditure to be incurred on CSR activities from time to time as per CSR policy.
- Be responsible for implementation and monitoring of CSR projects or programs or activities of the Company.
- Deciding upon the location of the CSR activities.

- Any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.

The CSR Committee shall meet as and when deemed necessary.

- Sitting Fees for attending the meeting shall be determined from time to time by the Board of Directors.
- Quorum of meeting of CSR Committee shall be one half of the total strength
- The CSR Committee may invite Executives, Advisors, representatives of Social Organizations, Auditors of the Company and such other person(s) as it may consider necessary to attend the meeting.

5. EXECUTION AND FUNDING

The Board of Directors shall after taking into account the recommendations made by the CSR Committee, approve the CSR Policy of the Company and disclose contents of such Policy in its report and also place it on the website of the Company and ensure that the activities as included in the CSR Policy of the Company are undertaken by the Company.

Budget allocation for CSR activities and spending on CSR activities will not be less than 2 % of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of this policy.

In case Company fails to spend such amount, the Board shall specify the reasons for not spending the amount.

Approving authority for the CSR amount to be spent would be any one Director or the Managing Director after due recommendation of CSR Committee and approval of the Board of Directors of the Company.

CSR projects or programs or activities undertaken in India only shall amount to CSR expenditure.

CSR expenditure shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board on the recommendation of the CSR Committee, but does not include any expenditure on any item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act 2013.

A separate Book of Accounts and a separate Bank Account shall be maintained for the execution of the CSR activities.

6. IMPLEMENTATION AND MONITORING

Implementation of CSR programs will be undertaken by the CSR Committee, Head HR and CSR teams at various offices, units and business places of the Company in India to achieve the best possible results in the defined ambit of the identified Project/Program.

The time period/duration over which a particular program will be spread, will depend on its nature, extent of coverage and the intended impact of the program.

The process for implementation of CSR program will involve the following steps:

- Identification of program by:
 - Need identification by senior management/professional institutions/agencies.
 - Receipt of proposals/requests from social organizations, NGO, District Administration. Local bodies etc.
 - Suggestions from the Board of Directors and CSR Committee.

- The Company to follow a Project based approach where the sustainability of CSR projects, will be qualified as:
 - Short Term – 6 months to 1 year
 - Medium Term – 1 year to 2 years
 - Long Term (Flagship programs) – 2 year and above.
- While identifying Flagship programs, efforts must be made to possibly define the following:
 - Program objectives
 - Basis on which the outcome of the program would be measured.
 - Implementation schedules - timelines for milestones of program to be prescribed
 - Responsibilities and authorities
 - Major results expected and measurable outcome.

THIS POLICY IS EFFECTIVE FROM APRIL 01, 2014

for Encardio-rite Electronics Pvt. Ltd.

Amod Gujral

Chairman and Managing Director