

ER/Policies/LSC/CSR/r1-241101 dated November 1, 2024
(Effective from November 01, 2024)

CSR Policy

1. Objective

Corporate Social Responsibility (CSR) at Encardio-Rite Electronics Private Limited (the “**Company**”) is deeply embedded within the organization’s core values and is already making a meaningful difference in the lives of our employees, their families, and the broader society. We are committed to supporting initiatives that advance education, healthcare, and other social causes, with a focus on creating lasting positive impact.

We believe that integrating social, environmental, and ethical responsibilities into our business governance is not only a moral imperative but also a strategic driver for long-term success. A robust CSR framework enhances our competitiveness, fosters sustainable growth, and strengthens our reputation as a socially responsible organization. It ensures that our products and services are not just sought after for their quality but also for the values they represent.

Our central objective is to transform CSR into an integral business and societal process, contributing directly to sustainable development. As a responsible corporate entity, the Company aims to complement and augment the efforts of the government in advancing societal welfare. Through this framework, we are committed to making a meaningful difference in the communities where we operate.

In the words of 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.”*

The Company views the CSR initiatives as a humble means of repaying our societal debt—by contributing to the well-being of the underprivileged, protecting the environment, promoting sustainability, promoting education, adopting the highest industry standards, and through various means giving back to the society.

Our CSR strategy reflects our deep-seated belief in generosity, compassion, and collective progress. We are not just focused on business success; we are equally dedicated to building a society that thrives for the betterment of our planet and the future generations who will inherit it. The Company is committed to being a catalyst for positive change, ensuring that our impact extends beyond profits and into the hearts of the communities we serve.

2. Effective Date

This Policy is effective from November 01, 2024, and it replaces the previous policy which was applicable since April 01, 2014.

3. Definitions

- a) “**Act**” means the Companies Act, 2013.
- b) “**Board of Directors**” or “**Board**” means the collective body of the directors of the Company.
- c) “**Company**” means Encardio-Rite Electronics Private Limited.
- d) “**CSR Committee**” means the Corporate Social Responsibility Committee constituted by the Board of



TUNNELS



HYDROELECTRIC



CONSTRUCTION



STRUCTURAL



METRO & RAIL



BRIDGES



MINING

Directors of the Company.

- e) **“CSR Policy”** means the CSR policy of Encardio-Rite Electronics Private Limited.
- f) **“CSR Rules”** means the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.
- g) **“Implementing Agency”** means any entity registered with the Ministry of Corporate Affairs for undertaking CSR projects, which is engaged by the company to implement various projects in pursuance of CSR policy.

Any term used in this policy but not defined herein shall have the same meaning assigned to them under the Act and CSR Rules, as applicable to 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. As per the approval of the Board of Directors, the CSR committee consists of the following:

- a) Ms. Arushi Bhalla – Managing Director
- b) Mr. Amit Gujral – Executive Director
- c) Ms. Parnika Khanna – Director
- d) Mr. Madhukar Saran – Member
- e) Mr. Keshav Lal Gupta – Member

The responsibilities of the CSR Committee include:

- a) 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 Act.
- b) Make any changes as required with the passage of time or remove any doubts on the CSR policy of the Company, subject to the approval of the Board.
- c) Recommend the amount of expenditure to be incurred on CSR activities from time to time as per CSR policy.
- d) To formulate and recommend an annual action plan in pursuance of CSR Policy covers the following aspects:
 - i. The list of approved CSR projects or programs to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - ii. The manner of execution of such projects or programs as specified in rule 4(1) of CSR Rules;
 - iii. The modalities of utilization of funds and implementation schedules for the projects or programs;
 - iv. Monitoring and reporting mechanism for the projects or programs; and
 - v. Details of need and impact assessment, if any, for the projects undertaken by the company;
- e) Recommend changes to the Board, if any, needed in the annual action plan with reasonable justification to that effect.

f) To monitor the CSR Policy as approved by the Board from time to time.

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 should recommend the approach and direction of CSR activities to be undertaken by the company and also provide Guiding principles for:

- i. Selection of CSR projects/programs/activities,
- ii. Implementation of CSR projects/programs/activities.

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.

The quorum of the meeting of the 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. CSR Activities

The company shall undertake CSR activities for development of the society and the environment, particularly in the vicinity of the areas where the facilities of the company are located.

The company shall undertake such activities which are broadly related to any of the following:

- a) Eradicating hunger, poverty, and malnutrition, promoting health care including preventive health care and sanitation.
- b) Promoting education, including special education and employment-enhancing vocation skills, especially among children, women, the elderly, and the differently abled, and livelihood enhancement projects.
- c) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, daycare centres, and other facilities for senior citizens, and measures for reducing inequalities faced by socially and economically backward groups.
- d) 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.
- e) 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.
- f) 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.
- g) Training to promote rural sports, nationally recognized sports, paralympic sports, and Olympic sports
- h) Rural development projects
- i) Development of an area declared as a "slum area" by the Government or Competent Authority.
- j) Disaster management, including relief, rehabilitation, and reconstruction activities.

The company may also contribute to the funds as enshrined in Schedule VII to the Act with the aim of providing macro areas in which CSR projects should be undertaken by the company. The CSR Committee should consider details of CSR projects as elaborated in the annual action plan for each financial year.

Any CSR activity proposed to be undertaken as a CSR initiative, but not specifically covered in the aforesaid, may be undertaken only with the prior approval of the Board and CSR Committee.

6. CSR Spending

The company shall endeavor to achieve the objectives of the CSR Policy and allocate every year:

- a. Minimum 2% of its average net profits made during the three immediately preceding financial years
- b. Any income or surplus arising out of the CSR activities, projects, or programs shall not form part of the business profit of the company and the same shall be ploughed back for use in CSR activities.

All the expenditures relating to CSR shall be pre-approved by the CSR Committee.

The CFO (if appointed) or the Executive Director shall monitor the utilization of funds for the purposes set forth and certify to this effect.

Unspent CSR amounts, if any, shall be transferred to a separate account in accordance with the applicable CSR Rules from time to time.

7. Mode of Implementation

CSR programs, projects, or activities of the company should be implemented through the following methods:

- a) Directly by the Company.
- b) Implementing Agencies.
- c) Any foundation or body incorporated by the Company and holding the eligibility to undertake such CSR projects;
- d) In collaboration with other organizations/group companies.

While the company can engage suitable Implementing Agencies to undertake approved CSR projects. The company can also partner with local governance bodies, such as Gram Panchayats, Civic Bodies, and Municipality to directly undertake approved CSR projects with the help and support of these bodies.

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 years and above.

8. Need and Impact Assessment

Before undertaking any project or activities the company shall conduct a need assessment for the project and its utility in the demography where the project is proposed.

Impact assessment of the projects to be performed if applicable under the provisions of the Act and place a report for consideration by the Board.

A summary of the impact assessment outcome, if applicable under the Act, shall be disclosed in the Board's

Report.

9. Information dissemination

CSR Policy and activities undertaken shall be disseminated on the website for public access and shall be published in the Annual Report of the company in the format prescribed under the Act and CSR Rules.

10. Review

The CSR Committee shall be fully responsible for the monitoring and review of the implementation of this policy in accordance with applicable laws from time to time. The CSR Committee shall provide recommendations as and when it deems necessary to the Board to amend/ modify/ revise the CSR Policy.

Note: In addition, the CSR Policy of the company may give guidance on Voluntary CSR Initiatives, Voluntary CSR Audit, CSR Governance Principles and reporting about deviations, if any. Further, CSR Policy may also provide guidance on the disclosure of awards and recognitions received.

for Encardio-Rite Electronics Pvt. Ltd.



Arushi Bhalla
Managing Director