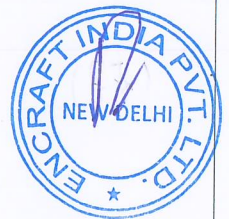


Encraft India Private Limited

Corporate Social Responsibility Policy

CSR POLICY



Background:

This Corporate Social Responsibility Policy ("the CSR Policy") has been framed by Encraft India Private Limited (the Company) in accordance with the Section 135, Schedule VII of the Companies Act, 2013 and CSR Rules issued by the Ministry of Corporate Affairs on February.27, 2014.

Unless the context otherwise requires, the definitions mentioned in the notification Dated February 27, 2014 and Companies Act 2013, shall apply to this CSR Policy.

In compliance with the requirements of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, the Company is, inter alia, required to:

- (i) Constitute a Board Committee to formulate and recommend to the Board a Corporate Social Responsibility (CSR) Policy, recommend the amount of CSR expenditure and monitor the CSR activities of the Company from time to time.
- (ii) Ensure that the Company spends, in every financial year, at least two per cent of the average Net Profits before Tax (PBT) of the Company, made during the three immediately preceding financial years, in pursuance of its CSR Policy.

Company Philosophy for CSR Policy:

The Companies Act, 2013 has formally introduced the Corporate Social Responsibility to the dash board of the Indian Companies. Encraft India Private Limited is much positive and appreciate the decision taken by the Government of India. Legal framework of CSR is an edge to Corporate Charitable/reformative approach towards the Society to which the Corporate is belonging to. By introducing the separate section for CSR in Companies Act, 2013, the Government has given legal recognition to their community development approach.

The management of the Encraft India Private Limited completely endorses reliability. It is committed to conduct business in a true, fair and ethical manner and takes up the responsibility to create a good impact in the society it belongs and expresses its willingness and support to the CSR concept, its legal framework and shall be abided to it.



Objective of the CSR Policy:

- To ensure that the Company is committed to operate its business in an economically, socially and environmentally sustainable manner, while recognizing the interests of all its stakeholders.
- To take up programmes that benefit the communities in and around its work centres and over a period of time, results in enhancing the quality of life of the people in the area of its business operations.
- To generate a community goodwill for the Company and help reinforce a positive and socially responsible image of Company as a good corporate citizen of the Country.

Corporate Social Responsibility Committee:

The Board of Directors is not required to constitute a CSR Committee as the amount to be spent for CSR Activities does not exceed Rs. 50,00,000/- (Rupees Fifty lakh only) and accordingly function of such committee can be carried out by the Board of Directors of the Company. However, the Board will ensure to form a committee in future if the required amount exceeds the mentioned threshold.

CSR Meetings:

The Board shall meet as often as its members deem necessary to perform the duties and responsibilities at the registered office of or at any other place as may be agreed by the Board.

Role of Board:

- a) To formulate, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 (as amended from time to time).
- b) To recommend the amount of expenditure to be incurred on the activities in a financial year.
- c) To monitor the Corporate Social Responsibility Policy of the company from time to time.
- d) Any other matter/thing as may be considered expedient by the Members of the CSR Team in furtherance of and to comply with the CSR Policy of the Company.



Responsibilities of the Board:

The Board shall:

- Approve the CSR Policy and the CSR expenditure.
- Place the CSR Policy on the Company's website.
- Ensure implementation of the activities under CSR
- Ensure expenditure of requisite amount on CSR every year as per law.
- Disclose reasons for not spending the amount (if applicable) in the Annual Report to the Shareholders of the Company.
- Ensure that the administrative overheads are not more than 5% of the total CSR Expenditure.
- Ensure that the funds so disbursed have been utilized for the purposes and in the manner as approved by Board and the Chief Financial Officer shall certify to the effect.
- Approve transfer of unspent CSR Amount in accordance with the law. The Accounts and Finance Team of the Company shall prepare the statement of spent and unspent CSR amounts and shall assist and facilitate for transfer of the same.

CSR Programmes/Projects:

Pursuant to Schedule VII of the Companies Act, 2013, the Board has approved the following activities as "CSR Activities" to be undertake under the CSR policy of the Company. The Board of Directors has reviewed the said activities and express its willingness to pursue any of the said activities under CSR policy of the Company under section 135 of the Companies Act, 2014, Schedule VII and other applicable rules, regulations, notifications etc., issued/to be issued from time to time.

Approved CSR Activities:

1. Promoting preventive healthcare and sanitation to the public;
2. Promoting education, including primary, secondary and higher secondary education, as well as special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
3. Projects, Activities, Programmes relating to conservation of natural resources including renewable energy sources;
4. Projects, Activities, Programmes relating to water conservation and maintaining quality of soil, air, and water;



5. Promoting Gender equality and empowerment of women
6. Community Health- Innovation projects to meet local needs. Reaching out with basic health care to all (bridging the gap).
7. Sustainable livelihood Projects – Holding hands of all marginalized group to improve livelihood opportunity, thus improving their quality of life.
8. Rural Infrastructure Development- Need based quality infrastructure to improve quality of life.

CSR Team:

The CSR Team can be formed based on BOD direction and approvals. This team shall be mainly responsible for:

1. Execution of the CSR Policy.
2. Identify projects and key initiatives pursuant to CSR Policy.
3. Facilitating allocation of funds to the projects as identified for CSR activities.
4. Monitoring CSR Projects to establish effectiveness of CSR efforts and appraise the same to the Board.
5. Compilation of information & preparation of Annual Reports on CSR activities and presenting the same to the Board.
6. Any other activity necessary to ensure achievement of CSR Projects.

The Board shall empower the CSR Team to finalize, approve and execute various agreements, deeds, writings, confirmations, undertakings, or other documents, as may be necessary, under the common seal of the Company or otherwise, with any party including Implementation Agencies and/or others for the purposes of the CSR Policy and accept modifications, changes, and amendments to any such documents/agreements as it may deem fit. In case of failure to ensure the minimum CSR Expenditure, details reasons for the same should be submitted by the CSR Group to the Board, who shall include the same in their report.

Partnerships to Implement the Programmes:

Collaborative Partnerships may be formed with the Government Agencies, the village Panchayats, NGOs and other like-minded stakeholders. This would help widen the Company's reach and leverage upon the collective expertise, wisdom and experience that these partnerships bring to the table.



Criteria for Identifying Executing Partners:

In case of programme execution by NGOs/Voluntary organizations the following minimum criteria should be required to be ensured:

1. The NGO / Agency must have a permanent office / address in India.
2. The NGO should be a registered public Trust or a Society having a duly executed Trust Deed / Memorandum of Association.
3. It should have registration Certificates under Section 12A, Section 80G, etc. of the Income Tax Act, 1961, registration under FCRA (wherever mandatory) and other applicable registrations.
4. It should have a Permanent Account Number (PAN).
5. Last 3 years audited statement of accounts.
6. Last 3 years income tax return.
7. Last 3 years FC return (applicable to organizations with FCRA registration).
8. The antecedents of the NGO / Agency are verifiable / subject to confirmation.
9. Should have a team of professional expertise and system to maintain Books of Accounts and to generate necessary Reports on the supported programmes.
10. No tie-up with the Competition of the Company.

Provided that in case of any amendment in the Act / the Rules specifying any criteria for implementing agencies, the same shall be applicable in addition to the above criteria (to the extent applicable). Provided also that the CSR Team may waive one or more of the above criteria on case to case basis.

Agreement Between the Company and Executive:

Once the programmes and the executing agency has been finalised, the concerned work centres would be required to enter into an agreement/MOU with each of the implementing agency as per the Standard Agreement format.

Monitoring and Evaluation Mechanisms:

Monitoring and Evaluation Mechanisms include the following, one or more of which shall be implemented based on the size, quantum and tenure of the CSR programmes:

1. To ensure effective implementation of the CSR programmes undertaken at each work centre. The progress of CSR programmes under implementation at work centre will be reported to corporate office on a regular basis.

2. Feedback would also be obtained and documented from the beneficiaries and influential local leaders by the respective work centres about the programmes, as and when required.
3. Field visits would be conducted by the respective CSR teams to ensure the progress of the programmes at their work centres. The visits would be informed and surprised also.
4. Partners would be required to report narrative as well as financial updates on a quarterly/annual basis in the format mutually decided.
5. The Finance and Accounts Team of the Company in consultation with the CSR Team would conduct audit of the CSR programmes as and when required. The Finance and Accounts would, from time to time, also guide the respective partners and CSR team of the Company on necessary compliances.
6. Impact Assessment would be conducted on a periodic basis, through CSR team of BIL and independent professional third parties if need be, especially on the strategic and high value programmes.

The Board of Directors of the Company shall also monitor the CSR Programmes/ Projects in such manner and on such periodicity as may be required by the Act/ the Rules.

Engagement of International Organisations:

The Company may engage international organisation(s) for designing, monitoring and evaluation of the CSR projects or programmes as well as for capacity building of its personnel for CSR.

Budget for CSR Activity & CSR Expenses:

The Company shall allocate the budget for CSR activities. The minimum budgeted amount for a financial year shall be 2% of the average net profit of three immediate preceding financial years. The Company may allocate more fund/amount than the amount prescribed under section 135 of the Companies Act, 2013, for the CSR activities for any financial year. The CSR Team shall calculate the total fund for the CSR activities and recommend to the Board for the approval. The Board shall approve the total fund to be utilized for CSR activity for respective financial year.



CSR expenditure shall include all expenditure including contribution to corpus for projects or programs relating to CSR activities approved by the Board, but does not include any expenditure on an item not in conformity or not in line with activities which fall within the approved CSR activities.

Identification of activities/projects:

Out of approved CSR activities, the CSR Team shall decide which activity/project should be given priority for the respective financial year. While arriving at the decision of the activity to be undertaken for the respective year, the CSR Team shall analyse the basic need of the community/ area in which the Organisation operates or at the place where its registered office is situated. The CSR Team shall record its findings and prioritised the CSR activities.

Implementation process:

After prioritizing the activity the CSR Team shall finalise the detail implementation Project /programme, including planning for expenses against the total budget allocated for CSR activities.

CSR Annual Action Plan (CAAP):

The CSR Team shall formulate and recommend to the Board of Directors, a CAAP in pursuance of this Policy, which shall include focus areas for the year, the list of projects to be undertaken, manner of execution, fund utilization, monitoring mechanism, etc. The Board of Directors may approve the CAAP with such further conditions as it deems fit and further alter CAAP at any time during the financial year, as per the recommendation of the CSR Team, based on the reasonable justification to that effect.

Organisational Responsibility:

At organisational level for implementation of agreed CSR activity, the CSR Team may constitute an implementation team or authorised any of the Department of the Company to organize for the implementation of the CSR activity. The team or respective department shall monitor the implementation process from time to time, on behalf of the CSR committee and place a report to the Committee regarding the progress of the activity implementation, on a quarterly basis. The respective department or implementation team would be responsible for reporting of any irregularity to the CSR Team on immediate basis.



- In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference should be made to Corporate CSR Department. In all such matters, the interpretation & decision of the CSR Committee shall be final.
- Any or all provisions of the CSR Policy would be subject to revision/ amendment in accordance with the guidelines on the subject as may be issued from the Government, from time to time.
- The Company reserves the right to modify, cancel, add, or amend any of these Rules.



CSR POLICY