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CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY ENCALM HOSPITALITY PRIVATE LIMITED

1. Preamble

Corporate Social Responsibility ("CSR") is the Company's commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical.

Encalm Hospitality Private Limited ("the Company") is committed to undertake CSR activities in accordance with the provisions of Section 135 of the Indian Companies Act, 2013 ("Act") and related rules made thereunder.

This CSR Policy covers current as well as proposed CSR activities to be undertaken by the Company and examines their alignment with Schedule VII of the Act, as amended from time to time. It covers CSR activities carried out in India only and includes strategies that define plans for future CSR activities.

2. Objectives

The objectives of the CSR Policy are to:

- Develop a strategy to achieve Company's CSR goals.
- Establish relevance of potential CSR activities to the Company's core values and create an overview of activities in line with Schedule VII of the Act.
- Establish a process and mechanism for implementation and monitoring of CSR activities.

3. Constitution

Pursuant to Section 135 of the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules"), the CSR Committee, when required, shall be formed.

The Board of Directors authorizes to constitute or reconstitute the CSR Committee. Members of the CSR Committee may be replaced subject to approval of the Director.

4. Meetings of CSR Committee

- The CSR Committee shall meet at least once annually.
- Members may mutually decide time and place of meetings.
- Quorum shall be two members.
- Members may participate in person or through audio/visual means in accordance with the Act.

5. Duties and Responsibilities of CSR Committee

The CSR Committee shall:

- a) Recommend CSR activities under Schedule VII.
- b) Approve CSR activities and report in accordance with CSR Rules.
- c) Recommend CSR Budget subject to Director's approval.
- d) Spend allocated CSR amount once approved.
- e) Take note of and ratify the expenditure incurred towards CSR activities carried out under Schedule VII of the Companies Act 2013, and to recommend the same to the Board of Directors for ratification.





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- f) Create a transparent monitoring mechanism.

6. Responsibilities of the Board of Directors

The Board shall:

- i. Approve the CSR Policy and note CSR expenditure periodically.
- ii. Ensure spending of at least 2% of average net profits of the immediately preceding three financial years.
- iii. Ensure CSR activities align with Schedule VII and are approved by the Board of Directors.
- iv. Ensure disclosure in Directors' Report regarding:
 - CSR Policy contents and CSR Committee constitution
 - Annual CSR Report (as Annexure)
 - Reasons for failure to spend required CSR amount (if any)

7. CSR Expenditure

- i. The Company shall spend minimum 2% of its average net profits of the preceding three financial years.
- ii. Net profits exclude dividend received from other Indian companies.
- iii. CSR expenditure includes contributions to corpus or projects approved by the Board of Directors.
- iv. Activities must align with Schedule VII.
- v. CSR expenditure shall not include activities undertaken outside India.
- vi. Surplus from CSR initiatives shall not form part of business profits.

8. CSR Activities

The Company may undertake CSR activities in the following areas under Schedule VII:

- i. Eradicating hunger, poverty and malnutrition; promoting health care including preventive health care and sanitation, including contribution to the Swachh Bharat Kosh set up by the Central Government for promotion of sanitation; and making available safe drinking water.
- ii. Promoting education, including special education and employment-enhancing vocational skills, especially among children, women, elderly and differently abled persons, 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 centres and similar 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 quality of soil, air and water, including contribution to the Clean Ganga Fund set up by the Central Government.





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- v. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance; setting up public libraries; and promotion and development of traditional art and handicrafts.
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents, including veterans of Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) 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 PM CARES Fund or any other fund set up by the Central Government for socio-economic development, relief, and welfare of Scheduled Castes, Scheduled Tribes, other backward classes, minorities and women.

9. CSR Initiatives

The Company may collaborate with affiliates or other companies or form trusts to implement CSR activities as per CSR Rules.

10. Monitoring Mechanism

- i. CSR Committee review implementation and monitor progress twice a year.
- ii. Proper records of CSR activities and expenditure shall be maintained.

11. Policy Review and Amendment

The CSR Policy shall be administered under supervision of CSR Committee.

The Board may revise or amend the Policy based on recommendations or government amendments.

12. Failure to Spend CSR Amount

If the Company fails to spend the required CSR amount in a financial year, the CSR Committee shall submit written reasons to the Board of Directors, which shall be disclosed in the Annual Report

