



LUMAX INDUSTRIES LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

INDEX

S. No.	Contents	Page No.
1.	Background & CSR Philosophy	3
2.	Scope & Purpose	3
3.	Objective	3
4.	Definitions	3
5.	Constitution of CSR Committee	3
6.	Composition & Role of CSR Committee	4
7.	Implementation of CSR Projects, Programmes and Activities	4
8.	Allocation of Budget	5
9.	Treatment of Unspent CSR Expenditure	6
10.	Lumax domains of engagement in accordance with Schedule VII	6
11.	Monitoring and Review Mechanism	8
12.	Impact Assessment	9
13.	Reporting	9
14.	Management Commitment	9
15.	General	9

Policy Effective from	13-02-2016
Revision approved in Board Meeting on	20-03-2019
Revision effective from	01-04-2019
Revision No.	01
2 nd Revision approved in Board Meeting on	11-02-2021
Revision effective from	11-02-2021
Revision No.	02
3 rd Revision approved in Board Meeting held on	06-08-2021
Revision effective from	06-08-2021
Revision No.	03
Revision effective from	09-02-2023
Revision No.	04

1. BACKGROUND & CSR PHILOSOPHY

At Lumax, it is our endeavour to give back to society and transform lives of children, youth and the elderly to have a better future and eternal hope around our plant locations. The aim is to provide holistic, sustainable of the communities, especially access to education, life skills and healthcare in communities around our plant locations for a better and healthy life.

2. SCOPE & PURPOSE

As per Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, every company having net worth of rupees 500 crore or more, or turnover of rupees 1000 crore or more or a net profit of rupees 5 crore or more during the immediately preceding financial year shall constitute a Corporate Social Responsibility Committee of the Board and such committee shall formulate and recommend to the Board a Corporate Social Responsibility Policy, thereby indicating the activities to be undertaken by the Company in the areas as specified in Schedule VII of the Companies Act, 2013. Since, the Company falls within the aforesaid category, it is required to constitute a Corporate Social Responsibility Committee and formulate and disclose its Corporate Social Responsibility Policy on its website. Accordingly, this Corporate Social Responsibility Policy has been reviewed and adopted by the Board of Directors of the Company.

3. OBJECTIVE

It is our endeavour to transform lives of children, youth and the elderly to have a better future and eternal hope through access to quality education and preventive healthcare in communities around our plant locations for sustainable and holistic development of communities.

4. DEFINITIONS

- (i) "Act" means the Companies Act, 2013.
- (ii) "Administrative overheads" means the expenses incurred by the company for 'general management and administration' of CSR functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular CSR project or programme.
- (iii) "CSR" means Corporate Social Responsibility.
- (iv) "Rules" means the Companies (Corporate Social Responsibility) Rules, 2014.

5. CONSTITUTION OF CSR COMMITTEE

As per the provisions of Section 135 of the Companies Act, 2013, (hereinafter referred to as 'the Act') the Board of Directors of the Company shall constitute a Corporate Social Responsibility Committee of the Board (hereinafter referred to as "CSR Committee").

6. COMPOSITION & ROLE OF CSR COMMITTEE

The Composition of the CSR Committee is as follows:

S. No.	Name	Category
1	Mr. Deepak Jain	Chairman (Chairman & Managing Director)
2	Mr. Avinash Parkash Gandhi	Member (Non- Executive Independent Director)
3	Mr. Anmol Jain	Member (Joint Managing Director)

Note: The Committee was reconstituted in the Board Meeting held on February 11, 2021.

The committee shall meet at least once in a year to review the implementation of CSR activities/ projects/ programmes. The onus for the successful and time bound implementation of the CSR activities/ projects on the ground rests with the CSR team.

Pursuant to the provisions of Section 135(2), the CSR Committee shall inter alia, carry out the following functions:

- a) to formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating activities to be undertaken as specified in Schedule VII.
- b) setting of goals and objectives along with budgets on CSR projects
- c) to recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- d) instituting a transparent monitoring mechanism for implementation of the CSR projects or programmes or activities undertaken by the Company.
- e) deciding the priority of the activities to be undertaken under CSR.
- f) issuing Annual Report on CSR activities to be included in the Board Report.
- g) details of need and impact assessment, if any, for the projects undertaken by the Company.
- h) to monitor the Corporate Social Responsibility Policy from time to time, if any, for Board's approval.

7. IMPLEMENTATION OF CSR PROJECTS, PROGRAMMES AND ACTIVITIES

- a) The Company shall undertake the CSR projects or programmes in accordance with the provisions of Section 135 read with Schedule VII of the Act and rules made thereunder, with the approval of Board of Directors on the recommendation of CSR Committee.
- b) As outlined in the Companies (Corporate Social Responsibility Policy) Rules, 2014, and pursuant to Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the Company may undertake CSR projects/programmes directly, or through a registered trust or a registered society or a special purpose company or any Implementing

Agency etc. It may also collaborate with other companies for undertaking CSR projects. The Company may incur expenditure to build CSR capacity of its own personnel or other implementation institutions subject to the 5% expense cap as specified in the Rules. Currently, the Company's CSR activities are being undertaken by the Company itself and also through Lumax Charitable Foundation.

- c) The Company will give preference to the local areas where it operates, for spending the amount earmarked for CSR activities.
- d) The Company will have expertise or will develop expertise, taking help from partners/ advisors as required, in the selected CSR activities to be able to execute the programmes effectively, and add value to the Programmes in addition to providing funds.
- e) The Company will maximize opportunities for its employee participation in the selected CSR activities as volunteers to enable them to give back the society.
- f) The Company shall target to run an efficient CSR programme ensuring that maximum proportion of its funding is used for actual programmes rather than administrative or other activities (not more than 5%).
- g) The Company considers its CSR spend as an important investment in the welfare of its stakeholders and for better future of the society.
- h) The CSR activities which are exclusively for the benefit of employees of the Company or their family members shall not be considered as CSR activity. However, any activity which is not designed to benefit employees solely, but the public at large, and if the employees and their family members are incidental beneficiaries, then, such activity would not be considered as "activity benefitting employees" and will qualify as eligible CSR activity.

8. ALLOCATION OF BUDGET

- a) Keeping in line with the provisions of Section 135 of Act a specific budget shall be allocated for CSR activities and spending on CSR activities shall not be less than 2% of the average net profits of the Company made during the three immediately preceding financial years. If the Company spends any amount over 2% of such average net profits, then the same is to be considered as excess CSR expenditure which can be set-off in the immediate succeeding three financial years' subject to the conditions as prescribed under the Rules.

The Approving authority for the actual CSR amount to be spent would be the Managing Director or CEO & Senior Executive Director or Chief Financial Officer of the Company, and shall also ensure that expenditure incurred for CSR projects are in accordance with the approval by the Board.

Subject to the approval of the CSR Committee and also of the Board, the Company may undertake one or more CSR Projects as annual and/or ongoing CSR projects in association with one or more companies in Lumax-DK Jain Group and/or with companies outside the Group.

The surplus, if any, arising out of the CSR projects or programmes or activities shall not form a part of the business profits of the Company and such income or surplus:

- b) shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company; or shall be transferred to a Fund specified in Schedule VII of the Companies Act, 2013, within a period of six months of the expiry of the financial year.

9. TREATMENT OF UNSPENT CSR EXPENDITURE

If the Company fails to spend 2% of the Average net profit, then the unspent amount shall be treated as follows:

If unspent amount relates to an ongoing project	Such funds shall be transferred into a special account (Unspent CSR Account) with a bank within a period of 30 days from the end of Financial Year, and such amount shall be spent towards the CSR projects within a period of 3 Financial Years from the date of such transfer, failing which the Company shall transfer the same to a fund specified under Schedule VII within a period of 30 days from the end of relevant third Financial Year.
If unspent amount does not relate to an ongoing project	Such funds shall be transferred to the Schedule VII Fund within 6 months from the end of Financial Year.

Any surplus arising out of CSR activities will be utilized only for CSR purposes.

Only that quantum of CSR expenditure that has been incurred on projects or programmes or activities undertaken in India shall qualify for CSR expenditure.

CSR expenditure shall include all expenditure including contribution to corpus of Lumax Charitable Foundation, for projects or programmes relating to CSR activities as approved by the Board on the recommendation of the CSR Committee, however it shall not include any expenditure on any item, which is not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act 2013.

The tax treatment of CSR spent will be in accordance with the Income Tax Act as may be notified by CBDT from time to time.

10. LUMAX DOMAINS OF ENGAGEMENT IN ACCORDANCE WITH SCHEDULE VII

In accordance with the specified activities provided under Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, Schedule VII and any amendment(s) thereof, the CSR activities of the Company primarily focus around Education and Health.

The specified activities, as above said are tabulated below along with brief statement of Company's engagement in same;

S. No.	Schedule VII Listed Domains	Activities Undertaken/To be Undertaken by the Company
1.	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Juvenile Diabetes support, Providing Mid-day meals, Health Camps, Cancer Awareness & Screenings, Cataract Screenings and Surgeries
2.	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Adopting schools in Haryana and working with Government schools in Haryana, Uttarakhand, Maharashtra, Karnataka in infrastructure, learning aids, life skills and career counselling
3.	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	
4.	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 for rejuvenation of river Ganga.	

5.	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;	
6.	Measures for the benefit of armed forces veterans, war widows and their dependents;	
7.	Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports	
8.	Contribution to the prime minister's national relief fund or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;	
9.	Contributions or funds provided to technology incubators located with in academic institutions which are approved by the central govt.	
10.	Rural development projects	
11.	Slum area development.	

11. MONITORING AND REVIEW MECHANISM

A team of dedicated sustainability and CSR staff shall oversee and monitor the execution of the projects. The majority of the projects are long-term multi-year programmes. CSR Committee of Board will review the policy from time to time based on the changing needs and aspirations of the target beneficiaries and make suitable modifications as may be necessary.

The Company has appointed Group CSR Head, who will be responsible for the implementation of the CSR projects. Group CSR Head will keep CSR Committee briefed with the progress and request guidance as and when required. The CSR team will also plan collaborative partnerships with the Government, the District Authorities, the village panchayats, NGOs and other like-minded stakeholders, wherever required. This will help widen the Company's reach and leverage upon the collective expertise, wisdom and experience that these partnerships bring to the table.

12. IMPACT ASSESSMENT

The Company will undertake impact assessment of the CSR activities undertaken by the Company through an independent agency.

- i. If the average CSR obligation of the Company, in the 3 immediately preceding financial years is Rs. 10 crores or more;
- ii. The activity or the CSR project has an outlay of Rs 1 crore or more;
- iii. Considering the company's performance and its net profit crosses the threshold, the CSR Committee will appoint an independent agency to complete impact assessment.

Owing to this, the approach to the evaluation of programmes' outcomes and impacts are guided by the recognition of the complex reality underlying social change and developmental progress.

The Company recognises that impact assessment is critical for the progress of the programme. Monitoring will focus on timelines, budgetary expenditure, achievement of targets, continuous feedback mechanism, and recourse available for mid-course correction in implementation. However, impact assessment will help measure the performance of the programme w.r.t the identified key performance indicators, of the transformation change based on end-line assessment.

The impact assessment and evaluation may be assigned by the CSR Committee to an independent external agency to ensure objectivity and transparency.

13. REPORTING

A half yearly report on implementation shall be submitted to the Board by the CSR Committee.

The CSR Committee shall prepare an annual report on CSR, in the format prescribed under the Rules and such report shall be included in the Board's report annexed to the financial statements. The report shall be signed by the Chairman of the CSR Committee and anyone of Chairman/Managing Director/CEO & Sr. Executive Director/Director of the Company.

14. MANAGEMENT COMMITMENT

We shall continue to nurture a vibrant culture of volunteering in our aspiration to leverage our core competencies and expertise for CSR.

Our Board of Directors, our Management and all of our employees subscribe to the philosophy of compassionate care. We believe and act on an ethos of empowerment and sustainable development to build a safe and prosperous nation.

15. GENERAL

a) Review

This policy will be reviewed and amended as and when required by the Board on the recommendation of the CSR Committee.

b) Disclosure of the Policy

This policy will be uploaded on the Company's website <https://www.lumaxworld.in/lumaxindustries>

c) Amendment

This policy document has been last amended/modified by the Board of Directors in its meeting held February 09, 2023.