

**LUMAX INDUSTRIES LIMITED**

**CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

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## 1. CSR PHILOSOPHY

At Lumax, the social and environment responsibility has always been integral part of the system. Our commitment to be a good corporate organisation has been strengthening and re-enforcing by actively assisting in the improvement of quality of life of the people in the communities, giving preference to local areas around our business operations. It is our belief that involvement in social issues must be deep, meaningful and formed on the bedrock of long-term commitment, for that is the only way by which real change can happen on the ground. We shall continue to relentlessly strive in our endeavor of nation-building, sustainable development, accelerated inclusive growth and social equity.

The main objective is to make CSR a key business process for sustainable development of the society. Through this policy, the Company aims at supplementing the role of Government in enhancing the welfare measures of the society within the framework of the policy.

## 2. 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"). 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/ programs. The onus for the successful and time bound implementation of the CSR activities/ projects on the ground rests with the CSR team.

## 3. ROLE OF CSR COMMITTEE

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 prescribed Schedule;
- 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 programs 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.

#### **4. IMPLEMENTATION OF CSR PROJECTS, PROGRAMS AND ACTIVITIES**

- a) The Company shall undertake the CSR projects or programs 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/programs 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 through Lumax Charitable Foundation.
- c) The Company shall give preference to the local areas where it operates, for spending the amount earmarked for CSR activities.
- d) The Company would have expertise or will develop expertise, taking help from partners/ advisors as required, in the selected CSR activities to be able to execute the programs effectively, and add value to the Programs 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 program ensuring that maximum proportion of its funding is used for actual programs 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 for the company and 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.

## 5. ALLOCATION OF BUDGET

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. 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 Group and/or with companies outside the Group.

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

- a) 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
- b) 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

Only that quantum of CSR expenditure that has been incurred on projects or programs 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 programs 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.

## 6. 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 centers 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 GangaFund 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 within academic institutions which are approved by the central govt.	
10.	Rural development projects	
11.	Slum area development.	

## **7. 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 programs. 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 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.

## **8. IMPACT ASSESSMENT**

Regular and interactive feedback sessions shall be conducted at all levels i.e., with Lumax Charitable Foundation and/or the other NGOs through which CSR activities are being undertaken as well as the respective beneficiaries of all CSR activities undertaken by Lumax Industries Limited ("**LIL**").

Field visits shall be conducted at regular intervals to ensure effective implementation.

Proper documentation shall be done in an MIS format to record key observations of such feedback sessions and field-visits.

Whenever LIL has average CSR obligation of ten crore rupees or more (or such other amount as may be provided under applicable law) in the three immediately preceding financial years, LIL shall undertake impact assessment of its CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study, through an independent agency. Reports shall be prepared pursuant to such evaluation/assessment. The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

Further impact assessment expenditure towards Corporate Social Responsibility for that financial year, shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.



**9. 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 Act 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 LIL

**10. MANAGEMENT COMMITMENT**

We shall continue to nurture a vibrant culture of volunteering in our aspiration to leverage our core competencies and managerial, technological capabilities for CSR. We shall strive to bring innovation to our CSR initiatives and optimize their effectiveness while seeking to create a measurable impact of our CSR activities.

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 generosity and compassion, characterized by a willingness to build a society that works for everyone.

Further, any or all provisions of the CSR Policy would be subject to revision/ amendment by the Board of Directors of the Company based on the recommendations of the CSR Committee or else in accordance with the guidelines on the subject as may be issued, from time to time.

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