



Corporate Social Responsibility Policy

Laxmi India Finleasecap Private Limited

**(Sapne dekho Bade Dekho Hamare Saath Unhe Pura Hote Hue
Dekho)**



Concept

At Laxmi India Finleasecap Private Limited (hereinafter referred as “the Company” or “LIFC”), CSR is not viewed as a responsibility but is rather a duty as a responsible corporate citizen. Since inception, the Company has been actively engaged in the area of social and community development. The Company constantly strives to ensure strong corporate culture which emphasizes on integrating CSR values with its business objectives.

It is committed to contribute to the society by supporting causes on various concerns. The Company shall make its endeavor to positively impact and influence the Society for its sustainable development and to improvise quality of lives through social development projects.

Title, Scope and Objective of the Policy

This Policy shall be called the “Corporate Social Responsibility Policy” or “CSR Policy” of the Company which is developed and implemented in accordance with the provisions of Section 135 of the Act read with the CSR Rules framed thereunder. The Policy will outline the Company’s philosophy and responsibility and lays down the guidelines and mechanism for undertaking socially impactful programs towards welfare and sustainable development of the community around the area of its operations and other parts of the country. The Policy shall be applicable to all CSR Activities taken up by the Company at various locations in India for the benefit of different segment of the society at large, specifically the deprived and underprivileged segment.

1. Definitions:

- a) “**Act**” means the Companies Act, 2013;
- b) “**Board**” means Board of Directors of the company;
- c) “**Company**” means Laxmi India Finleasecap Private Limited;
- d) “**CSR Activities**” means such programs and projects as may be recommended by the CSR Committee and approved by the Board in terms of the CSR Policy, from time to time in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in the rules as amended from time to time.
- e) “**CSR Expenditure Budgeted**” means the amount recommended by the CSR Committee and approved by the Board from time to time, to be incurred on the CSR Activities in India in a financial year in terms of Section 135 of the Companies Act, 2013 (Act) and the rules framed thereunder. CSR expenditure will include all expenditure incurred by the Company on CSR Programmes undertaken in accordance with the approved Annual Action Plan.
- f) “**CSR Committee**” means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act.
- g) “**Annual Action Plan**” will include the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII to the Act, the manner of execution of such projects or programmes, modalities of utilisation of the CSR funds and implementation schedules for the projects or programmes, monitoring and reporting mechanism for the projects or programmes and details of need and impact assessment, if any, for the projects undertaken by the Company. CSR Committee would recommend the Annual Action Plan to the Board. In case there is any alteration in the



Annual Action Plan at any time during the financial year, the Board may alter such plan as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

- h) **“Ongoing Projects”** means a multi-year project undertaken by a Company in fulfillment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification;

Any term used but not defined in this CSR Policy shall have the meaning assigned to it under the Act or the CSR Rules.

2. Corporate Social Responsibility Committee:

a) Formation:

- i) The Board shall form a Corporate Social Responsibility Committee consisting of three or more directors, out of which at least one director shall be an independent director;
- ii) The Committee can call any further invitees who are expert in the field of CSR Activities or are involved in implementing the CSR policy of the Company;
- iii) CSR initiatives of the Company must be aligned with business strategy and CSR strategy must clearly define objective, milestones and payback;
- iv) The Secretary to the Board shall act as Secretary to the Committee.

b) Terms of reference: The Terms of reference of the Committee shall include the following:

- i) To formulate the Corporate Social Responsibility policy of the company which shall indicate the activities to be undertaken by the company as specified in Schedule VII to the Act;
- ii) To recommend the expenditure that can be incurred for this purpose;
- iii) To monitor CSR policy of the company from time to time;
- iv) To prepare a transparent monitoring mechanism for ensuring implementation of the projects / programs / activities proposed to be undertaken by the Company;
- v) To ensure that all kind of income accrued to the Company by way of CSR activities should be credited back to the community or CSR corpus.

c) Meetings of the Committee:

- i) A meeting of the Committee may be called by its Chairman or any member as and when required for reviewing policies, discussing the budget and strategy, reviewing project progress and setting the direction for the time. Minutes of its meetings will be approved by the Committee and signed by the Chairman of the same meeting or if the same is not available then by the Chairman of the next Committee meeting.
- ii) The quorum for the Corporate Social Responsibility Committee meeting shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or two members,



whichever is higher.

- iii) The minutes of the Committee shall be placed for noting at the Board Meeting held next after the Committee meeting.
- iv) Other Members of the Senior Management may attend the CSR Committee Meetings as may be appropriate, subject to the approval of the CSR Committee.

Representation before Shareholders:

The Chairman of the Corporate Social Responsibility Committee or any member of the Committee shall be available to answer questions regarding the Corporate Social Responsibility Committee's activities at the Annual General Meeting of Shareholders.

3. Powers of Board:

The Board shall after taking into account the recommendations made by CSR Committee:

- a) Approve the CSR policy for the company and disclose contents of such policy in its report and also place it on the company's website;
- b) Ensure that the activities as are included in CSR policy of the company are undertaken by the Company;
- c) Ensure that the company spend in every financial year such amount/s as is required to be spent under the extant provisions of Companies Act 2013 read with Rules and Regulations for the same;
- d) If the company fails to spend such amount, the Board shall in its report specify the reason for not spending the requisite amount;
- e) The Board may at all times amend this Policy and/or revoke any powers granted by it to the Corporate Social Responsibility Committee, if the substance of the Committee for which it was formed is not happening the way it should, as required under law.

4. Scope of Activities:

The Company shall undertake such CSR activities as recommended by the CSR Committee and approved by the Board from time to time pursuant to Schedule VII and Section 135 of the Act read with CSR Rules framed thereunder.

- a) The CSR Activities shall include the following: Eradicating hunger, poverty and malnutrition, promoting 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;
- b) Promoting education, including special education and employment enhancing vocation skills especially among children, women, 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, day care centers and such 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 including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;

- 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 recognised sports, Paralympics sports and Olympic sports;
- h) contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES 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;
- i) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and
- j) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- k) rural development projects
- l) slum area development Explanation.- For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.
- m) Disaster management, including relief, rehabilitation and reconstruction activities.
- n) Such other areas as may be included in Schedule VII of the Companies Act, 2013 from time to time.

The Projects / Programmes in the aforementioned Identified Areas would be of a continual nature requiring long-term commitment from the Company for which fixed implementation schedules cannot be specified.

The Projects / Programmes may be undertaken by the Implementation Agency or the Company directly provided that such projects / programmes are in line with the activities enumerated in Schedule VII of the Companies Act, 2013.



The CSR Committee, while formulating the Annual Action Plan and recommending to the Board, will accord priority to projects in the specific areas of the Company as mentioned above. The CSR activities specified under this Policy would be undertaken only in India and the preference shall be given to the local area and/or areas in the vicinity, where the Company operates, for spending the amount earmarked for CSR activities.

5. Other Provisions:

- a) The Company may collaborate with other Company as may be approved by CSR Committee to implement CSR activities and the same shall form a part of the Annual CSR Plan. The Company may form trusts on its own to carry out CSR activities in accordance with the CSR Rules and to administer its CSR activities. The Company may also collaborate its CSR activities with other Company as may be eligible and approved by the CSR Committee vis-à-vis the Board of Directors and towards this effort, the Company may jointly along with other Company form Trusts to administer the CSR activities.
- b) The Company may build CSR capacities of their own personnel as well as their implementing agencies through institutions while complying with respective provisions and amendments, if any, under Companies Act, 2013.
- c) The CSR initiatives of the Company shall focus the areas surrounding its plant locations or where the Company has its offices.

6. CSR Expenditure Budgeted

- a) In the beginning of every financial year, the CSR Committee shall determine whether the provisions of Section 135 of the Act for mandatory CSR spend are applicable to the Company and accordingly, determine the CSR Expenditure Budgeted for the Financial Year and recommend the same for approval of the Board.
- b) CSR Expenditure Budgeted shall include all expenditure including contribution to corpus or on projects/programmes relating to the CSR Activities. For achieving the CSR objectives through implementation of meaningful and sustainable CSR programmes, the Company shall allocate the following as its annual CSR Expenditure Budgeted:
 - i) 2% of its average net profits made during the three immediately preceding financial years, as prescribed under the Act and Rules framed thereunder from time to time;
 - ii) Any income arising there from;
 - iii) Surplus arising out of CSR Activities; and
 - iv) Such other amount as may be determined by the CSR Committee and Board from time to time.
- c) Any surplus arising out of CSR Activities shall not form part of the business profits of the Company and the same shall be spent on CSR activities.
- d) Likewise, any excess amount spent on CSR activities may be set off against CSR expenditure to be incurred in the succeeding financial years in accordance with the provisions of Section 135 of the Act and CSR Rules framed thereunder.
- e) Unspent amount, if any, on the CSR Activities shall be dealt with in accordance with the provisions of



Section 135 of the Act and CSR Rules framed thereunder.

7. CSR Initiatives:

In line with Schedule VII of the Act and the CSR Rules, the Company shall undertake CSR activities included in its Annual CSR Plan, as recommended by the CSR Committee at the beginning of each year. The Committee is authorized to approve any modification to the existing Annual CSR Plan or to propose any new program during the financial year under review.

8. Monitoring Process:

- a) The CSR Committee shall monitor all CSR Activities, including utilization of funds to ensure their effective implementation in accordance with the Section 135 of the Act read with CSR Rules framed thereunder.
- b) The progress of CSR programmes under implementation will be reported to the CSR Committee.
- c) Broadly, the following procedure will be adopted by the CSR Committee for implementing and monitoring the CSR Activities:

i) The CSR Annual Action Plan

- The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act,
- the manner of execution of such projects or programmes,
- the modalities of utilisation of funds and implementation schedules for the projects or programmes,
- monitoring and reporting mechanism for the projects or programmes and
- Details of need and impact assessment, if any, for the projects undertaken by the company.

ii) Periodic review by CSR Committee and Board

- d) The minutes of the meetings of the CSR Committee shall be placed before the Board.
- e) The Company may conduct impact assessment on a periodic basis, either on its own or through independent professional or professional institutions.
- f) The CSR Committee may be directed by the Board to present the amount spent on CSR Activities annually and also the impact assessment thereof as appropriate.

9. Disclosure / Reporting:

The Company shall disseminate the CSR Policy adopted by the Company on its website, disclose the CSR activities being undertaken by it and the amount spent on CSR Activities in its Annual Report/Board's Report.



10. Impact Assessment

If the Company is having average CSR obligation of Rs. 10 crores or more in pursuance of subsection (5) of section 135 of the Act, in the 3 immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of Rs 1 crores or more, and which have been completed not less than 1 year before undertaking the impact study

The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

The expenditure of impact assessment is booked towards Corporate Social Responsibility for that financial year as per the Act. The expenditure doesn't exceed 5% of the total CSR expenditure for that financial year or Rs. 50 lakhs, whichever is less.

11. Policy Review and Amendment:

The Board may amend, abrogate, modify or revise any or all clauses of this Policy, on recommendation of the CSR Committee and in accordance with the Act and the CSR Rules framed thereunder. Any amendments in the Act or Rules or any applicable law including any clarifications/ circulars of relevant regulator, if mandatory, shall be read in conjunction with this Policy such that the Policy shall automatically reflect the contemporaneous applicable law at the time of its implementation.