

Policy of LS Industries Limited on Corporate Social Responsibility (CSR)(As amended on 13th February,2020)

1	VISION
	To actively contribute to social and economic development of the communities in which we operate. It is the Company's intent to establish itself and remain as a responsible Corporate entity conscious of its social responsibilities towards its work force, community and environment.
2	OBJECTIVE
	<p>The Policy of LS Industries Limited on Corporate Social Responsibility(CSR) is broadly framed taking into account the following major objectives:-</p> <ul style="list-style-type: none"> • To identify and formulate projects and areas in response to the needs of society and to implement them with full involvement and commitment in a time bound manner. • To adopt an approach that aims at achieving a greater balance between social and economic development. • To implement CSR Activities/ CSR programmes primarily in the economic Vicinity Company's operations with a view to ensuring the long term sustainability of such interventions. • Contribution to the society at large by way of socio-economic activities and social awareness ensuring that benefits reach the targeted beneficiaries. • To comply with the requirements of Companies Act and all other applicable Acts, Rules, Regulations framed by the Government time to time.
3	DEFINITIONS
	<p>(I) <u>Act</u></p> <p>"Act" means the Companies Act, 2013.</p>
	<p>(II) <u>Corporate Social Responsibility (CSR)</u></p> <p>" Corporate Social Responsibility (CSR)" means and includes but is not limited to :-</p> <ul style="list-style-type: none"> • Projects or programs relation to activities specified in Schedule VII to the Act; or • Projects or programs relating to activities undertaken by the board of directors of a Company (Board) in pursuance of recommendations of the CSR Committee of the Board as per declared CSR Policy of the Company subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act.

	(III)	<u>CSR Committee</u> "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.
	(IV)	<u>CSR Policy</u> "CSR Policy" relates to the activities to be undertaken by the Company as specified in Schedule VII to the Act and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of a Company.
	(V)	<u>Net profit</u> "Net profit" means the net profit of a Company as per its financial statement prepared in accordance with the applicable provisions of the Act but shall not include the following, namely :- <ul style="list-style-type: none">• any profit arising from any overseas branch or branches of the Company, whether operated as a separate Company or otherwise; and• any dividend received from other Companies in India, which are covered under and complying with the provisions of section 135 of the Act Provided that net profit in respect of a financial year for which the relevant financial statements were prepared in accordance with the provisions of the Companies Act, 1956, (1 of 1956) shall not be required to be re-calculated in accordance with the provisions of the Act: Provided further that in case of a foreign Company covered under these rules, net profit means the net profit of such Company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381 read with section 198 of the Act.
4		CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES PRESCRIBED UNDER SCHEDULE VII OF COMPANIES ACT 2013
		Following CSR activities are prescribed under the Schedule VII of the Companies Act 2013 and rules & regulation made thereunder, as amended time to time:- <ul style="list-style-type: none">i. 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 waterii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled 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 centers and such other facilities for senior citizens and measures for reducing

		<p>inequalities faced by socially and economically backward groups;</p> <ul style="list-style-type: none"> 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 for rejuvenation of river Ganga; v. 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 arts and handicrafts; vi. Measures for the benefit of armed forces veterans, war widows and their dependents; vii. Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports; viii. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women; ix. Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defense Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs); x. Rural development projects. xi. Slum area development, <p>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.</p> <p>xi. Disaster management, including relief, rehabilitation and reconstruction activities.</p>
5		FOCUS AREAS IDENTIFIED FOR CSR PROJECTS/PROGRAMMES OF COMPANY
		<p>The Company has identified following areas to be called as "Focus Areas" for its CSR Projects/CSR Programmes/CSR Activities which includes all the prescribed CSR activities falling under Schedule VII of the Companies Act 2013 and rules & regulations made thereunder, as amended time to time. Therefore the Company may conduct or undertake all or any of activities/activity/sub-activity, as mentioned below</p>

		from Sr. No. i to Sr. No. xi, to undertake its CSR Projects/CSR Programmes/CSR Activities and in which it think that abundant measures needs to be undertaken.
	<p>i.</p> <p>i(a)</p>	<p><u>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:</u></p> <p>Attention to the cause of health acknowledges that health is a vital precondition for promoting well being of people. Consequently in Healthcare and Sanitation area, our ultimate goal is to render quality healthcare and sanitation facilities to peoples and community living in the villages situated at the local rural area and surroundings with in or near to the manufacturing facilities of the Company and/or adjoining areas, surroundings with in or near to location of Corporate/Head office of the Company. It may include all or any of activities/activity/sub-activity:-</p> <ul style="list-style-type: none"> • To adopt or to run or to maintain/manage or to provide or to construct or to create requisite infrastructures, sub-infrastructures for setting up or for maintenance or for proper running/development of Primary Healthcare Centers, Hospitals, Nursing Homes, Medical Facility Centers, Dispensaries, Laboratories & physiotherapy centers etc.; • To conduct Mother and Child care projects, Maternity & Family planning related issues; • To conduct and organize for Immunization programmes, vaccination etc. with a thrust on polio eradication & other major diseases; • To conduct, organize or arrange for OPD, Diagnostic facilities, First Aid, Emergency Facilities, Medical Facilities or to arrange or to provide different kinds of medical facilities, medical reliefs or any other appropriate reliefs at the time of disasters, natural calamities like earthquakes, floods, fire etc. to the victims or to needy community in any part of the Country ; • To promote & support preventive healthcare; • To arrange/purchase/provide for Ambulance, Mobile Medical Vans that dispenses free medicines, Funeral Vans etc; • To arrange/purchase/provide different medical, surgical, testing, diagnostic equipments/machines/instruments etc.; • Curative and Preventive healthcare services through various awareness programmes at regular intervals like eye checkup camps, eye operation camps, blood donation camps, HIV/AIDS awareness camps, gynecology camps, general healthcare checkup camps, corrective surgery camp, camps for disabled, old age, women & weaker sections, free health check-ups, ICU Projects etc. ; • Healthcare facilities for visually impaired and physically challenged, to arrange necessary infrastructures & medical facilities for patients in the hospitals, dispensaries, nursing homes etc.;

		<ul style="list-style-type: none"> • To construct safe drinking water structures and to construct low cost toilets to improve rural sanitation; • The basic objective is to mobilize the community and build awareness, equipping them with adequate information, skills and confidence to access good health services in the rural areas.
	ii	<u>Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects:</u>
	ii(a)	<p>Education is a basic tool to bring human and social development to an area. It is the wealthy of knowledge acquired by an individual by studying the particular subject. In Promoting Education including special education and employment enhancing vocation skills - our ultimate goal to provide good education to children's, women of all ages, adults and to weaker section resides in the villages situated in local rural area and surroundings with in or near to the manufacturing facilities of the Company and/or adjoining areas, surroundings with in or near to location of Corporate/Head office of the Company for enhancing their overall skills for their social & economic development and sustainable living. It may include all or any of activities/activity/sub-activity:-</p> <ul style="list-style-type: none"> • To adopt or to run or to maintain or to manage or to construct or to create requisite infrastructures, sub-infrastructures for setting up or for maintenance or for proper running/development of Schools, Primary Schools, Colleges, Educational Institutions, Coaching Centers, Training Centers and Aganwadis etc. ; • To create, arrange, provide for furniture & fixtures, books, stationery, office related equipments, students related educational/electronic/computer related materials, instruments, electrical fittings, generators and other requisite materials, items, sub structures etc. for proper maintenance, running & development of Schools, Primary Schools, Colleges, Educational Institutions, Coaching Centers, Training Centers and Aganwadis for overall development of students with an objective to promote education; • To construct or to arrange or to create proper drinking water structures/water system/purifier or to construct toilets/wash rooms etc. or to provide proper sanitation facilities for students, teachers etc. in Schools, Primary Schools, Colleges, Educational Institutions, Coaching Centers, Training Centers and Aganwadis etc. • To provide primary education & education to children, women, physically challenged or to disabled by visual or audio based learning; • To create requisite infrastructure for or to conduct or organise or to provide free computer classes, free tutions/coaching classes, free uniforms, free school bus facility, free midday meals and other related activities etc.; • Teaching aids to the teachers, training of teachers, as well as night

		<p>schools for uneducated adults and to promote different educational practices;</p> <ul style="list-style-type: none"> • To conduct or organize different vocational, educational & personality development courses like English speaking & writing courses, awareness & skill development programmes like leadership, team buildings, soft skills, drawing, paintings including curricular activities etc. for development of students/childrens, mentoring talent; • Development of Skills for employability like to provide industrial trainings, cutting & tailoring, machine & hand embroidery, bee keeping, mushroom farming, scientific farming, dairy & poultry farming in order to bring a sense of empowerment among them by helping them to grab better employment opportunities and sustenance to regions etc.. <p>iii. 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</p> <p>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 for rejuvenation of river Ganga;</p> <p>v. 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 arts and handicrafts;</p> <p>vi. Measures for the benefit of armed forces veterans, war widows and their dependents;</p> <p>vii. Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;</p> <p>viii. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;</p> <p>ix. Contribution to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government, and contributions to public funded Universities, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organisation (DRDO), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs)</p>
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		<p>x. Rural development projects.</p> <p>xi. Slum area development,</p> <p>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.</p> <p>xi. Disaster management, including relief, rehabilitation and reconstruction activities.</p>
6		AREA FOR CONDUCTING CSR PROJECTS/PROGRAMMES
		<p>Since currently the manufacturing facilities of the Company are located at Village Bairsen, Tehsil Nalagarh, Distt. Solan, Himachal Pradesh, therefore it is decided to preferably undertake CSR Projects/CSR Programmes/CSR Activities, as identified by the Company as its "Focus Areas", in the local/rural area, geographies & surroundings with in or near at Village Bairsen, Tehsil Nalagarh, Distt. Solan, Himachal Pradesh and in the local/rural area, geographies & surroundings with in or near at Chandigarh. However, the Company has decided to conduct any of its CSR Projects/CSR Programmes/CSRActivities in any part of the Country.</p>
7		BENEFITS FOR CONDUCTING CSR PROJECTS/PROGRAMMES
		<p>By conducting the CSR Projects/Programmes, following benefits and advantages are expected :-</p> <ul style="list-style-type: none"> • Company will understand more clearly the needs and expectation of society & its local areas and keep formulating its strategy further to meet out needs and expectations of society at a large for conducting CSR initiatives & CSR activities; • To build a respectable corporate image and to align Corporate objectives with Social objectives. CSR will facilitate to strengthen the brand image, this is because if a Company is well known in its community then its CSR activities will toughen its brand more than anything else; • Persistently contribution in the sustainable development in the identified areas through CSR initiatives designed in a manner that addresses the challenges faced by society in rural areas & surroundings at where the Company operates; • To target the poor, childrens, disabled, physically challenged, women and needy community etc. by adoption of new measures in the form of CSR for accelerating the growth, equal participation and ensuring their good health, good education & development, as far as possible; • Work towards elimination of all barriers for social inclusion of disadvantaged groups -such as the poor and the disabled by conducting CSR initiatives in a proper manner; • Reduction of diseases and generation of employment;

		<ul style="list-style-type: none"> To have the cascading effect of converting the prospective customers in to actual customers in near future.
8		MODALITIES/MECHANISM FOR EXECUTION, IMPLEMENTATION AND TIME SCHEDULE FOR CSR PROJECTS/PROGRAMMES
	I	Execution of CSR Activities
		The Board of Directors of the Company have decided to carry out either whole or any of its CSR activity/sub-activities/activities, either by itself or through one or more trust(s) or any other entity which conforms to CSR provisions of the Companies Act 2013 and rules made there under. (Last Amended by CSR Committee & Board on 13 th February, 2020).
	II	Implementation Schedule of CSR Activities
		The CSR Policy of the Company and CSR Projects/Programmes of the Company will be conducted from 01 st April 2014 onwards.
	III	Recommendations of amount for expenditure on CSR Activities
		<p>To fulfill the CSR Activities/CSR Programmes, the Company will allocate a budget on annual basis which would be utilized only for CSR purpose as stipulated. Company will make regular contributions in the budget out of its net profits in each financial year so as to make a corpus. All the expenditures for CSR purpose will be made from this corpus only and Board will monitor and ensure that it does 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 rules & regulations prescribed under Companies Act 2013, as amended time to time.</p> <p>The CSR Committee in each year will recommend to the Board of Directors an amount to be incurred in each financial year on identified CSR Activities/CSR Programmes of the Company. That amount would be at least two percent of average net profits of the Company made during the three immediately preceding financial years or where the company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years, in pursuance of Corporate Social Responsibility Policy of the Company and in accordance with the rules and regulations made under Companies Act 2013, as amended time to time.</p> <p>The CSR Committee is empowered to recommend to Board of Directors of the Company for carrying out any other CSR activity, in addition to the CSR activities which are already been decided & identified to conduct and also for recommendation of such suitable amount out of the corpus for incurring on said additional CSR activities in accordance with the rules and regulations made under Companies Act 2013, as amended time to time. Nevertheless, the CSR Committee will apply and follow same procedure to review & check those newly added CSR activities so adopted as in case of earlier ones. Although the surplus arising out of the CSR Programmes shall not form part of the business profits of the Company.</p>

		Further, any amount remaining unspent pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by the company in pursuance of its Corporate Social Responsibility Policy, shall be transferred within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year
	IV	Mechanism of monitoring of CSR Activities by CSR Committee
		<p>Company/LS Social Trust (as the case may be) will submit its proper report to the CSR Committee on quarterly basis or at regular intervals containing the details regarding status of CSR activities/CSR Programmes carried out in the local/rural area, geographies & surroundings with in or near at Baddi, at Village Barisen, Tehsil Nalagarh, Distt. Solan, Himachal Pradesh and in the local/rural area, geographies & surroundings with in or near at Chandigarh or in any part of the Country. The details may include the amount so spent, manner of amount spent, expenditure so made, CSR activity covered, balance pending for each quarter, details of programmes organized, number of peoples/childrens attended, details of treatment so made, (if amount spent on healthcare related activities), description of activities carried out, prospective benefits etc. or such other details/informations, as may be required in the due course of time.</p> <p>The report may be comprehensive or in brief so as to enable the CSR Committee and/or to the Board for proper assessment, evaluation so as to reach out for proper decision making for appropriate action in the same direction.</p> <p>CSR Committee of the Company will meet either on quarterly basis or at regular intervals to review or to discuss on the report submitted by the Company/Winsome Textile Social Trust (as the case may be), to review the progress & development of CSR Activities undertaken by the Company/or any registered trust (as the case may be) during the period, initiatives required further to achieve the ultimate objectives of CSR Programme.</p> <p>CSR Committee and/or Board will check that the CSR Activities should be conducted in such a manner so as to ensure that the ultimate benefit(s) or advantage(s) should reach to targeted beneficiaries. It may include to consider & to review all the aspects like total budget so allotted & fixed by the Board of Directors for said purpose, monitoring of timely contributions made in the corpus out of Net Profit of the Company, total amount of corpus so made, amount spent, expenditures made out of it, its proper utilization, manner of spent, total time spent on each CSR activity, steps to be taken in case of non-spent of prescribed amount etc. in each financial year, in accordance with the rules & regulations prescribed under Companies Act, 2013, as amended time to time.</p>
	V	Method of Reporting by CSR Committee and Action taken by Board of Directors
		CSR Committee will submit its recommendations, suggestions and objections, if any, in the form of a Report to Board of Directors of the Company either on quarterly basis

		<p>or at regular intervals for adopting requisite suitable measures for monitoring, strengthening and streamlining the CSR activities.</p> <p>Board of Directors of the Company will take appropriate steps/action, if so required, on the receipt of findings & report of CSR Committee. Board will review the recommendations of CSR Activities and ensure that the activities for CSR programmes should be carried out in proper manner and should relate only to those activities which are prescribed under Schedule VII of the Companies Act 2013, rules & regulations made there under, as amended time to time and it does 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 rules & regulations prescribed under Companies Act 2013, as amended time to time.</p> <p>Board will extend its support to CSR Committee to achieve the core objective. In case the Company/LS Social Trust (as the case may be) did not spent the minimum mandatory amount on CSR activities irrespective of any reason(s) in a particular financial year, then it will be bring into the knowledge of Board by the CSR Committee for further suitable remedial measures/appropriate action.</p> <p>Necessitated changes may be made in CSR Policy by the Board, on the basis of suggestions & recommendations of CSR Committee, if so required, after reviewing the progress of CSR activities and all other allied aspects.</p>
CONCLUSION		
		<p>In conclusion, the Company understands its responsibility to serve societal goals as they have the ability to contribute significantly and impact fully to sustainable and inclusive development. Through this noble thought of CSR a beginning has been made but there are still miles to go before the huge disparity is bridged and a better future delivered to both the rural and urban poor.</p>

Foot Notes:-

1. Originally applicable w.e.f. 13th August, 2014
2. 01st Amendment on 07th February, 2019
3. 02nd Amendment on 13th February, 2020