



1. SCOPE OF THE CSR POLICY

- 1.1. This Corporate Social Responsibility (“CSR”) Policy of **Lumino Industries Limited** (the ‘Company’) has been framed to fulfil the statutory obligations under the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.
- 1.2. This CSR policy shall apply to all the direct and indirect expenditures incurred by the Company in pursuance of its CSR obligations under Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.
- 1.3. The CSR Policy of the Company shall be reviewed and updated as and when required to incorporate the strategic CSR requirements of the Company; amendments, if any, to the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and any other applicable laws, rules regulations and regulatory frameworks.

2. DEFINITIONS

In this Policy, the following definitions of the terms used shall be applicable, unless the context requires otherwise.

- a) “Act” means the Companies Act, 2013 and its subsequent amendments, if any.
- b) “Administrative Overheads” means the expenses incurred by the Company for ‘general management and administration of Corporate Social Responsibility functions. However, it shall not include the expenses that are directly incurred towards the designing, implementation, monitoring and evaluation of a particular CSR project or programme.
- c) “Annexure” means the Annexures appended to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021.
- d) “Corporate Social Responsibility (CSR)” means the “CSR Programme”, undertaken by the Company, in pursuance of its statutory obligations laid down in section 135 of the Act in accordance with the provisions contained in the Rules, but shall not include the following:
 - i. Activities that are undertaken in pursuance of the normal course of business of the Company.
 - ii. Contribution of any amount directly or indirectly to any political party under section 182 of the Act.

- iii. Activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019).
 - iv. Activities supported by the Company on a sponsorship basis for deriving marketing benefits for its products or services.
 - v. Activities carried out for the fulfilment of any other statutory obligations under any law in force in India.
- e) “CSR Annual Action Plan” means the list of “CSR programmes” proposed to be undertaken by the Company in a financial year as per its CSR Policy in the areas or subject specified in the Schedule VII of the Act.
 - f) “CSR Committee” or “CSRC” means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.
 - g) “CSR Policy” means this Policy document, containing the approach and directions statement given by the Board of the Company, taking into account the recommendations of its CSR Committee, and includes guiding principles for the selection, implementation and monitoring of the CSR projects or programmes or activities as well as the formulation of the ‘CSR Annual Action Plan’.
 - h) “CSR Programme” means any CSR projects or programmes or activities, undertaken by the Company as per its CSR Policy, that are in line with the activities in the areas or subjects as specified in the Schedule VII of the Act, as amended.
 - i) “CSR Programme Cost” means the expenditure incurred directly towards the designing, implementation, monitoring and evaluation of a particular CSR project or programme.
 - j) “Net profit” means the net profit of the Company as per its financial statement prepared following the provisions of Section 198 of the Act, but shall not include the following:
 - i. Any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise;
 - ii. Any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act.
 - k) “Ongoing Project” means a multi-year project undertaken by the Company in fulfilment of its CSR obligation, having timelines not exceeding three years, excluding the financial year in which it was commenced, and shall include any 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.
 - l) “Public Authority” means ‘Public Authority’ as defined in clause (h) of section 2 of the Right to Information Act, 2005 (22 of 2005).
 - m) “Rules” means the Companies (Corporate Social Responsibility Policy) Rules, 2014 and its subsequent amendments.

3. FORMATION OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE OF THE BOARD

To oversee the fulfilment of the CSR obligations of the Company, the Board of the Company shall constitute a CSR Committee of the Board ('CSRC') by appointing at least three Directors, of which, at least one Director shall be an Independent Director. The CSRC shall meet at least once a year and/or as and when required. All CSRC meetings shall be attended by at least two members. The Board's report under sub-section (3) of section 134 shall disclose the composition of the Corporate Social Responsibility Committee.

4. GOVERNANCE

- a) The CSRC shall review and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in areas or subjects, specified in Schedule VII. The CSRC shall monitor the Corporate Social Responsibility Policy of the Company from time to time.
- b) After taking into account the recommendations made by CSRC, the Board of the Company shall approve the CSR Policy of the Company and its amendments, with or without any modifications as deemed necessary. The Board shall disclose the contents of such Policy in its report and also place it on the Company's website as prescribed in the Rules.

5. FUNCTION OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

- a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII.;
- b) recommend the amount of expenditure to be incurred on the activities, referred to in clause (a);
- c) monitor the Corporate Social Responsibility Policy of the company from time to time;
- d) to formulate and recommend to the Board, an annual action plan, as specified in the CSR Rules as amended from time to time;
- e) prepare a transparent monitoring mechanism for ensuring implementation of the CSR projects / programmes / activities proposed to be undertaken by the Company.
- f) specify the projects and programmes that are to be undertaken.

- g) prepare a list of CSR projects / programmes which a company plans to undertake during the implementation year, specifying modalities of execution in the areas / sectors chosen and implementation schedules for the same.
- h) monitoring and reporting mechanism of such projects or programs.

6. CSR PROGRAMMES AND ACTIVITIES TO BE UNDERTAKEN IN CSR:

- a) Corporate Social Responsibility "(CSR)" activities to be undertaken by the Company shall be in line with activities mentioned in this CSR Policy and/or the activities that fall within the areas or subjects, specified in Schedule VII of the Companies Act, 2013 and its subsequent amendments, if any. The activities to be undertaken by the Company as specified in Schedule VII of the Companies Act 2013 are:
 - 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 water;
 - ii. 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 centres and such other 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 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 art and handicrafts;
 - vi. 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;
 - 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 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;
- ix. (a) 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

(b) 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).

- x. rural development projects
 - xi. 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.
 - xii. disaster management, including relief, rehabilitation and reconstruction activities.
- b) CSR activities shall preferably be within the local areas of the Company's operations and/or as directed by the CSR Committee of the Board.
 - c) The CSR programmes of the Company shall have a "Holistic Development" approach based on the prioritised needs of the local communities and shall have a multi-stakeholder engagement/partnership for building local ownership.
 - d) The Company may contribute any unspent CSR funds, other than the funds allocated towards any ongoing projects, to any of the funds as specified in the Schedule VII of the Companies Act, 2013

7. IMPLEMENTATION MECHANISM

The Board of Directors of the Company shall ensure that the CSR activities are undertaken by the company itself or through below mentioned entities:

- a) A company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
- b) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
- c) any entity established under an Act of Parliament or a State legislature; or
- d) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

Provided that CSR Activities shall be undertaken by only those entities that have a unique CSR Registration Number issued by the Central Government / Registrar.

- e) The Company may execute the CSR programmes in collaboration with other corporates as it may deem fit in such a manner that the respective entities are in a position to report separately on such projects or programmes as per the Act and the Rules framed thereunder.
- f) The Company may engage international organizations for designing, monitoring and evaluation CSR projects or programmes as well as for the capacity building of their own or implementing bodies personnel for CSR.

8. CSR EXPENDITURE

- a) **CSR Obligation** – The Company shall ensure that the Company spends, in every financial year, at least two per cent of the average net profits made during the three immediately preceding financial years in pursuance of its Corporate Social Responsibility Policy.
- b) **Administrative Overheads** – The Board shall ensure that the administrative overheads shall not exceed five per cent of total CSR expenditure for the financial year.

- c) **Fund Utilisation** – The Board of the Company shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
- d) **Unspent CSR Amount** – If the Company fails to spend the prescribed CSR amount of any financial year, the Board shall, in its Board Report shall specify the reasons for not spending such amount. For any unspent amount remaining against the prescribed CSR amount, the Board of the Company, on the recommendation of the CSR Committee can choose to carry forward the unspent amount to the subsequent three financial years, provided it is over and above that year's prescribed CSR spend and should follow the following provisions:
- i. Any unspent amount towards any ongoing CSR programme shall be transferred by the Company within a period of thirty days from the end of the financial year to a special account to be opened by the Company on behalf of the financial year in any scheduled bank to be called the “**Lumino Industries Limited Unspent Corporate Social Responsibility Account**” followed by the suffix of the Financial Year.
 - ii. Such unspent amount towards the ongoing CSR programmes shall be spent by the Company within a period of three financial years from the date of such transfer from the said account, failing which, the Company shall transfer any remaining unspent balance of such account at the end of the third financial year to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.
 - iii. Excess CSR spends – In case, if the Company spends any amount in excess of the prescribed CSR spends in a financial year, then the same can be set off against the prescribed CSR spent in the immediately three succeeding financial years, provided that the excess amount spent / available for set-off shall not include the surplus arising out of the CSR activities and the Board of the Company shall pass a resolution to that effect.
 - iv. CSR Surplus – Any surplus arising out of the CSR activities shall not form part of the business profit of the Company any kinds of income accrued by way of CSR activities shall be ploughed back into the same CSR programmes or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the Company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

9. REPORTING AND DISPLAY OF CSR ACTIVITIES ON THE WEBSITE

- a) The Board's Report of the Company shall include an Annual Report on CSR containing particulars as specified in the applicable Annexures of the Companies (CSR Policy) Amendment Rules, 2021.
- b) The Board of the Company shall disclose the following on its website for public access:
 - i. The composition of the CSR Committee
 - ii. The CSR Policy of the Company
 - iii. CSR projects as approved by the Board for public access.