

**CORPORATE SOCIAL RESPONSIBILITY POLICY**

**OF**

**M/S. LIONS CLUBS INTERNATIONAL FOUNDATION INDIA**

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**1) Preamble:**

Lions Clubs International Foundation India (“Lions Clubs” or “Company”) believes in a philosophy of adopting sustainable business practices which are beneficial to the various stakeholders including the society. Through its corporate values, Lions Club constantly endeavours to actively contribute to the social and economic development of the communities in which it operates.

With the mission – Kindness in Action, Lions Club has always believed in giving back to the society and recognized its role and responsibility as a corporate citizen. Lions Club has social values ingrained into its culture and manner of working.

This policy has been instituted based on the Corporate Social Responsibility (CSR) on provisions of Section 135 of the Companies Act, 2013, read with Schedule VII of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014. This policy will at all times be subject to the provisions of the aforesaid act and rules (as amended from time to time).

**2) Definitions:**

**i. Act**

Act means the Companies Act, 2013 as amended from time to time.

**ii. CSR**

CSR means Corporate Social Responsibility and further meaning the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act.

**iii. CSR Policy**

CSR Policy means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and including guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan.

**iv. CSR Committee**

CSR Committee means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.

**v. CSR implementation Agency**

The CSR activities are to undertaken by the company itself or through the below mentioned entities subject to their compliances with the Act and the Rules made thereunder–

- (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.

**vi. CSR Rules**

CSR Rules means Companies (Corporate Social Responsibility Policy) Rules 2014 as amended from time to time.

**vii. Administrative Overheads**

They include the expenses incurred by the company for ‘general management and administration’ of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.

**viii. Net profit**

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: -

- (i) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
- (ii) 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 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.

**3) Policy Objectives:**

The objective of the CSR Policy (“Policy”) is to lay down the guiding principles in undertaking various programs and projects by or on behalf of the company relating to Corporate Social Responsibility (“CSR”) within the meaning of section 135 of the Companies Act, 2013 read with Schedule VII of the Act and the Companies (Corporate Social Responsibility Policy) Rules 2014 (“Rules”).

**4) \*CSR Committee:**

The Board of Directors of the Company have constituted the CSR Committee called the “Corporate Social Responsibility Committee” (“CSR Committee”) in accordance with the provisions of Companies Act, 2013 and rules made there under. The CSR Committee consists of 3 Members, the details have been hosted on the website at [www.lcifindia.org](http://www.lcifindia.org). The Board of Directors may change the composition of the CSR Committee from time to time in such manner as it thinks fit. Subject to provisions of Companies Act, 2013 and rules made there under, the CSR Committee may meet at such intervals, in such manner and may carry out matters in such manner and function generally as per such guidelines as it deems fit.

The CSR Committee shall have, inter alia, the following roles, powers and responsibility:

- i. Formulate and recommend the CSR Policy and any amendments therein to the Board of Directors of the Company;
- ii. Develop and approve various CSR projects, programs and activities to be undertaken from time to time either directly by the Company or through other entities;
- iii. Determine modalities of execution of such CSR projects, programs and activities;
- iv. Undertake all necessary steps to implement the CSR activities;
- v. Authorise and approve CSR expenditure from time to time subject to the limits approved by the Board of Directors;
- vi. Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company.

*\* Amendment in CSR Policy vide approval and consent of the CSR Committee Members in their Corporate Social Responsibility Committee Meeting and further approval of the Board of Directors of the Company in their Board Meeting held as on Monday 28<sup>th</sup> February, 2022 respectively.*

- vii. Carry out all such acts, deeds, matters and things as may be required in connection with aforesaid matters and generally for any matter connected with the CSR policy of the Company;
- viii. Formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy;
- ix. To perform such functions as may be entrusted by the Board of Directors from time to time.

**5) Annual Action Plan:**

- a) The list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act:

Lions Club may undertake various CSR projects, programs and activities from time to time. Such projects, programs and activities will be undertaken keeping in mind the CSR philosophy of the Company and in alignment with the permissible activities under the Companies Act, 2013 and rules framed under (as amended from time to time). It shall be at the discretion of the Board to undertake, modify, implement and cancel CSR projects, programs and activities from time to time as it deems fit. The company may continue to undertake/fund project, programs or activities of the following nature and also undertake such other activities as may be approved by the board as is falling under schedule VII of the Act 2013.

Following are the activities falling under schedule VII of the Act 2013:

- 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, Paralympics 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. 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 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).
- 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.

Further, the Company will review the areas from time to time and make additions/deletions/clarifications to the above areas.

b) The manner of execution of such projects or programmes:

The company may undertake one or more projects or programs or activities provided in the policy either as its own or through any CSR implementation agency. It shall be the endeavour of the company to build up necessary capabilities to implement the CSR projects on its own in the long run. It can also acquire the services of experts in respective fields by appointing them as consultants in a particular program or project. Where CSR implementation agencies are appointed for a particular project, while engaging a third party agency for implementing a project or program covered in the CSR policy, the CSR committee shall ensure that they have credible standing and experience in the respective fields for at least three preceding financial years.

c) ~~\*\*Deleted~~

d) Monitoring and reporting mechanism for the projects or programmes:

CSR committee of the company will be responsible for the monitoring of various CSR projects or programs undertaken by the company directly or indirectly. The committee shall ensure that:

- i. Company undertakes the CSR activities as provided in the CSR policy;
- ii. The projects/ programs are implemented as per the program approved by the board;
- iii. The budget allocated for each of the project is utilized for the projects as per the approved plans;
- iv. The objective of the project/program is achieved as per the plans;
- v. Wherever projects/programs are undertaken in partnership with one or more organizations, the part of the project or program undertaken by the company shall be distinguishable and necessary supporting documents in respect of the same shall be obtained from the other partners/CSR implementing agency on an annual basis.

*\*\* Amendment in CSR Policy wherein clause 5c was deleted vide approval and consent of the CSR Committee Members in their Corporate Social Responsibility Committee Meeting and further approval of the Board of Directors of the Company in their Board Meeting held as on Monday 28<sup>th</sup> February, 2022 respectively.*



- vi. Company shall provide necessary resources and human capital for implementation and the effective monitoring of the CSR projects and programs as may be directed by the CSR committee. The services of any external agencies or persons who have experience in the same or similar projects or programs undertaken or proposed to be undertaken by the company may also be made available for successful implementation a monitoring of the project.

On approval of the CSR policy or any amendments thereof, the contents of the policy shall be included in the Boards' report and the same shall be displayed on the website of the company.

At the end of each financial year, the CSR committee shall prepare a report of the CSR program in the prescribed form and submit to the board for its inclusion in the Board's report. Further, the company shall fulfil all its statutory obligations as required by the Act and the Rules as amended from time to time.

- e) Details of need and impact assessment, if any, for the projects undertaken by the company:

The company currently does not have average CSR obligation of ten crore rupees or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years. Hence, the impact assessment, through an independent agency, is not applicable to the company and will undertake the Impact Assessment as and when it become applicable.

**6) CSR Activities in Partnership:**

The company may undertake programs in collaboration with other companies only in cases where such programs are separately reportable in the CSR report of participating companies.

**7) Surplus arising out of CSR:**

Surplus arising out of any CSR project or program or activities shall not form part of the business profit of the company and 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 will be transferred such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

**8) Administrative Overheads:**

The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

**9) Excess CSR:**

Where the company spends an amount in excess of requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that –

- (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any; and
- (ii) the Board shall pass a resolution to that effect.

**10) Transfer of unspent CSR:**

For any unspent CSR amount, until a fund is specified in Schedule VII, the unspent CSR amount, if any, shall be transferred by the company to any fund included in schedule VII of the Act.

**11) Exclusions from CSR activities:**

The following activity shall not form part of the CSR activities of the Company:-

- (i) The activities undertaken in pursuance of normal course of business of the company: Provided that if the company is engaged in research and development activity of new vaccine, drugs and medical devices in its normal course of business, it may undertake

research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that-

- (a) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act; and
  - (b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;
- (ii) Any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
  - (iii) Any amount directly or indirectly contributed towards any political party under Section 182 of the Act;
  - (iv) Any activity benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
  - (v) Any activity supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
  - (vi) Activities carried out for fulfilment of any other statutory obligations under any law in force in India.

**12) Amendment of policy:**

The CSR policy of the company may be amended at any time by the board of the company on the recommendation of the CSR committee.

**13) Review of Policy:**

This CSR policy document will be reviewed from time to time and any changes, if necessary, will be approved by the CSR Committee of the Board.

**14) Disclosures:**

The Annual Report of the Company include a section on CSR outlining the CSR Policy, CSR committee, CSR initiatives undertaken by Company, the CSR spend during the financial year and other information as required by the prevailing law. Further, the Company shall disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.