



CORPORATE SOCIAL RESPONSIBILITY POLICY

LCC PROJECTS LIMITED

(Formerly known as LCC Projects Private Limited)

CIN: U45500GJ2017PLC100301

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CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY



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1. **CONCEPT:**

- **Background**

LCC Projects Limited (herein after referred to as “LCC” or “Company”) aims to form a corporate self-regulatory mechanism whereby its integrated business model monitors and ensures its active compliance with the spirit of the law, ethical standards and international norms.

LCC operates in a manner that not just continues to generate an attractive return for shareholders, but also through its continuous efforts make positive impact on society in general which includes consumers, employees, investors, communities, and others.

- **Title & Scope**

- a) This policy shall be called ‘LCC Corporate Social Responsibility Policy’ or ‘LCC CSR Policy’. It outlines the Company’s philosophy and responsibility as a corporate citizen of India and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community, in and around its area of operations and other parts of the country.
- b) This policy is in compliance of Section 135 of the Companies Act, 2013.
- c) Companies (Corporate Social Responsibility Policy) Rules, 2014 (the Rules).
- d) This policy shall be effective from April 28, 2018.

- **CSR Objective and Guiding Principles**

LCC is committed to contribute towards sustainable development that meets the need of present as well as future stakeholders. The Company shall integrate and follow responsible practices into its business strategies and its operations, to achieve the following three Goals:

- Economic Prosperity;
- Social Development; and
- Environmental Integrity.

Towards this commitment, the Company shall:

- a) Build a sustainable organisation that effectively balances financial strengths with social responsibilities.

- b) Deliver sustainable top-line and bottom-line growth while maintaining the highest corporate governance standards.
- c) Reduce its environmental footprint by investing in eco-friendly technologies, methods and practices.
- d) Build lasting social capital through programs, activities and projects in the education, vocational domains, healthcare, and other social welfare programs and activities for the community residing in the area of its operations and other places in India.
- e) Organize at regular intervals employee education and development programs so as to develop their knowledge and skill sets, so that they realize their true potential and drive the Company's growth.
- f) Promote inclusive growth and equal opportunity by remaining a caste, religion and gender neutral organization.

2. **CSR COMMITTEE:**

- Constitution:

In compliance with section 135 of the Companies Act, 2013 and relevant rules, the board of directors in its meeting held on April 23, 2018 constituted a CSR committee.

- Functions:

The functions of the CSR Committee are as follows:

1. To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as per the Act;
2. To formulate and recommend to the Board, an annual action plan in pursuance of its CSR Policy.
3. To recommend CSR activity/programme/project to the Board for its approval;
4. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;
5. To monitor the CSR Policy of the Company from time to time;
6. To review the CSR activities of the Company and provide progress update to the Board of Directors at such interval as may be deemed fit.
7. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors, from time to time.

3. CSR ACTIVITIES:

The Policy recognizes that Corporate Social Responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of under privileged section of the society by one or more of the focus areas.

However, it is made abundantly clear that the following activities will not be considered as CSR activities:

1. Activities undertaken in pursuance of normal course of business of the Company;
2. 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;
3. Contribution of any amount directly or indirectly to any political party under section 182 of the Act;
4. Activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services;
5. Activities carried out for fulfilment of any other statutory obligations under any law in force in India;

The CSR programs, projects and activities to be undertaken by the Company may relate to one or more activities listed in Schedule VII to the Companies Act, 2013 which is reproduced herein below:

- a. 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 able 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 centres 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, agro-forestry, 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 & culture including restoration of buildings & sites of historical importance & works of art; setting up public libraries; promotion & development of traditional arts & handicrafts.

- f. Measures for the benefit of armed forces veterans, war widows & their dependents;
- g. Training to promote rural sports, nationally recognized sports, sports & Olympic sports;
- h. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development & relief & welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities & women;
- i. Contributions or funds provided to technology incubators located within academic institutions, which are approved by the Central Government;
- j. Rural development projects, etc
- k. 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.

The Above list is illustrative not exhaustive. All activities under the CSR activities should be environment friendly and socially acceptable to the local people and Society. Contribution towards C.M relief fund shall be a part of CSR activities above 2% of Net profit other than the activities mentioned above.

4. ANNUAL ACTION PLAN:

The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following:

- a) The list of CSR projects or programmes that are approved to be undertaken in areas;
- b) The manner of execution of such projects or programmes;
- c) The modalities of utilisation of funds and implementation schedules for the projects or programmes;
- d) Monitoring and reporting mechanism for the projects or programmes;
- e) Details of need and impact assessment, if required, for the projects undertaken by the Company:

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

5. CSR EXPENDITURE:

- Every year the Company shall spend the amount equivalent to at least 2% of its average net profits (calculated as per Section 198 of the Act) made during the three immediately preceding financial years towards CSR activities.
- The administrative overheads i.e., the expenses incurred by the Company for ‘general management and administration’ of Corporate Social Responsibility functions in the Company, shall not exceed five percent (5%) of total CSR expenditure of the Company for the financial year. However, it shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.
- Any surplus arising out of the CSR activities will not form part of the business profit of a Company and will be ploughed back into the same project or will 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 of the Companies Act, 2013, within a period of six months of the expiry of the financial year
- Any amount spent in excess of the mandatory requirement in any financial year, will be adjusted within immediate succeeding three financial years with the approval of the CSR Committee and the Board.

6. MANNER OF IMPLEMENTATION:

CSR programs, projects or activities, will be implemented through one or more of the following methods:

- a) Direct Method: The Company will strive to implement the aforesaid CSR activities on its own to the extent possible
- b) Indirectly: By Collaborating with various organisations, which are registered as a Trust or a section 8 company under the Companies Act, 2013 or Society or NGOs or any other form of entity incorporated in India that specialise in the aforesaid activities.

LCC shall give preference to the local area and areas around it where it operates, for spending the amount.

The allocated CSR budget or Corpus will be utilized for CSR activities which are not:

- Exclusively for the benefit of employees of the Company or their family members;

- Undertaken in pursuance of normal course of business of the Company.

7. MONITORING:

To ensure effective implementation of the CSR programmes, the Company shall put in place, suitable monitoring mechanism.

- A programme indicating the areas in which funds are to be spent during the year and a time schedule will be placed before the CSR Committee for consideration and recommendation to the Board of Directors. Action taken report will be placed before the CSR Committee from time to time.
- In case a project or programme is to be implemented through implementing agency, the Progress is monitored through periodical progress reports with supporting documents pertaining to the expenses incurred on different heads.
- CSR Committee of the Company shall periodically monitor the progress of CSR projects, programs and activities incorporated in the CSR Policy.
- An annual report on CSR containing the particulars as prescribed under the Companies (Corporate Social responsibility Policy) Rules, 2014 shall form part of Annual Report of the Company.

8. DISSEMINATION OF INFORMATION:

- The Composition of the CSR Committee, the CSR Policy and Projects, if any, approved by the Board of the Company shall be placed on the Company's website; <https://lccprojects.com/>
- A detailed status report on the CSR activities carried out by the Company shall be disclosed every year as a part of the Boards' Report in the Annual Report in the prescribed format.
- The CSR Committee will also make a Responsibility Statement stating that the CSR Policy implementation and monitoring thereof is in letter and spirit, in compliance with the CSR objectives of the Company.
- The Company's CSR Policy conforms to the Corporate Social Responsibility as stipulated under the Companies Act, 2013 and Rules framed thereunder. This Policy is subject to review by the CSR Committee/Board of Directors, as and when the need arises or is required.

9. GENERAL:

In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference is to be made to CSR Committee. In such matters, the interpretation and decision of the Committee shall be final.

Any or all provisions of the CSR policy may be revised/modified/amended by the CSR Committee at such intervals as it may deem fit subject to approval of Board or in accordance with the guidelines on the subject as may be issued from Government, from time to time.