

# **Lifestyle International Private Limited**

## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

(updated and presented to the CSR Committee of Directors on March 15, 2021 and approved by the Board of Directors on April 6, 2021)

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*This policy was originally instituted on June 3, 2014 based on the Corporate Social Responsibility (CSR) philosophy of Lifestyle International Private Limited and 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, 2013. This amended Policy will come into force with effect from the date of its approval by the Board of Directors of the Company. This policy will at all times be subject to the provisions of the aforesaid act and rules (as amended from time to time).*

## **1. Overview and CSR Philosophy**

Lifestyle International Private Limited ("Lifestyle" 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, Lifestyle constantly endeavors to actively contribute to the social and economic development of the communities in which it operates.

Lifestyle has always believed in giving back to the society and recognized its role and responsibility as a corporate citizen. Lifestyle has social values ingrained into its culture and manner of working. Lifestyle has been participating in various CSR initiatives and projects over the years even before CSR spending came to be mandated under law.

To further the Company's CSR philosophy, a formal policy on CSR was first adopted by the Board at its meeting held on June 3, 2014 to align its practices with requirements of Companies Act, 2013 and rules made thereunder.

This policy is updated with the changes required to be incorporated pursuant to the Companies (Amendment) Act, 2019, the Companies (Amendment) Act, 2020 and the Companies (Corporate Social Responsibility Policy) Rules, 2021

## **2. CSR Projects, Programs and Activities**

Lifestyle may undertake various CSR projects, programs and activities from time to time. Lifestyle may also contribute towards any existing or ongoing CSR projects, programs and activities. 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 Company to undertake, modify, implement and cancel CSR projects, programs and activities from time to time as it deems fit.

Without prejudice to the generality of the aforesaid, Lifestyle may from time to time undertake any project, program and activity on one or more of the following areas:

- Promoting awareness of preventive health care through various activities including organizing campaigns, awareness sessions, events, marathons, etc. with reference to various ailments such as diabetes, hypertension, cardiac, etc.
- Promoting education, including special education through various activities including organizing schools development projects/programs, by organizing special sessions in schools, etc.,
- Promoting education through various activities including providing support to educational institutions, centres for non-formal education, tent school programs, schools at various sites like construction sites, etc.
- Employment enhancing vocation skills especially among children and women through various activities including child care centres, anganwadi programs, livelihood enhancement projects, vocational training programs, etc.,
- Empowering women through various activities including childcare centres, anganwadi program, etc.,
- Any other projects, programs and activities falling within the permissible activities prescribed under Companies Act, 2013, rules made thereunder, any circular/ notification/ guidelines/ clarification issued thereunder.

However, the following activities will not be considered as Company's CSR activities.

- activities undertaken in pursuance of normal course of business of the company.

- 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.
- contribution of any amount directly or indirectly to any political party under section 182 of the Act.
- activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019).

Definition of employees as per Section 2(k) of the Code on Wages, 2019 is as below:

"employee" means, any person (other than an apprentice engaged under the Apprentices Act, 1961), employed on wages by an establishment to do any skilled, semi-skilled or unskilled, manual, operational, supervisory, managerial, administrative, technical or clerical work for hire or reward, whether the terms of employment be express or implied, and also includes a person declared to be an employee by the appropriate Government, but does not include any member of the Armed Forces of the Union.

- activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services.
- activities carried out for fulfilment of any other statutory obligations under any law in force in India.
- such other exclusions that may be made by the authority from time to time.

### **3. Mode of Carrying out CSR activities**

- i. Lifestyle may carry out the CSR activities either on its own, or through –
  - 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.
  - 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.
  - any entity established under an Act of Parliament or a State legislature.
  - 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.
- ii. Lifestyle may engage international organizations for designing, monitoring and evaluation of the CSR projects or programs as per its CSR policy as well as for capacity building of their own personnel for CSR, as permitted in law.
- iii. Lifestyle may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programs in accordance with these rules.

#### **4. CSR Committee**

The Board of Directors of the Company shall constitute a committee called the “Corporate Social Responsibility Committee” (“CSR Committee”) in accordance with the provisions of Companies Act, 2013 and rules made thereunder. The CSR Committee will consist of such other number of directors as the Board of Directors of the Company may determine from time to time.

Subject to provisions of Companies Act, 2013 and rules made thereunder, the CSR Committee may meet at such intervals, in such manner and function within the mandate of the Board and under the framework of the Companies Act 2013 and the Rules thereunder.

#### **5. Annual Action Plan**

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

- (a) the list of CSR projects or programs that are approved to be undertaken from time to time.
- (b) the manner of execution of such projects or programs
- (c) the modalities of utilization of funds and implementation schedules for the projects or programs
- (d) monitoring and reporting mechanism for the projects or programs
- (e) details of need and impact assessment, if any, 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.

The Committee shall 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 and to perform such functions as may be entrusted by the Board of Directors from time to time.

#### **6. CSR Spending**

The Company may, in every financial year, spend such amounts on its CSR activities as the CSR Committee may recommend and approved by the Board of Directors.

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

#### **7. Transfer of unspent CSR amount**

If Company fails to spend the mandated CSR amount in any financial year, the board shall

- ~ Explain the reasons for the same in the Board report
- ~ Analyze the unspent amount and
  - If and to the extent it pertains to an “ongoing project”, transfer the money into a separate bank account titled “Unspent CSR Account – Financial Year...”, by transferring the same within 30 days of the end of the said financial year. Such amount should be spent within 3 financial years from date of transfer, failing which the Company will transfer the same to a fund specified in Schedule VII within 30 days from the date of completion of the third financial year: (OR)

- If it does not pertain to an 'Ongoing Project', transfer such unspent amount to a fund specified in Schedule VII, within 6 months of the end of the financial year

## **8. CSR Surplus**

Any surplus arising out of the CSR activities shall not form part of the business profit of a 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 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, or such other time as may be prescribed.

## **9. Set-off of excess CSR expenditure**

In the event of the Company spending an amount in excess of requirement under Section 135(5) of the Companies Act, 2013, during any financial year, such excess amount may be set off against the CSR requirement up to three financial years immediately succeeding the financial year in which such excess spend was made 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.
- (ii) the Board of the company shall pass a resolution to that effect.

## **10. Creation of Capital Assets**

Lifestyle may spend the CSR amount for creation or acquisition of a capital asset, which shall be held by -

- a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or
- b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- c) a public authority:

## **11. Monitoring Process**

The CSR Committee shall monitor the implementation of various programs, projects and activities in such manner as it deems fit. The CSR Committee shall also determine the manner of submission of information, reports, files, etc. by third parties as a part of the monitoring process and shall ensure that a transparent monitoring mechanism is put in place.

The Board of Directors shall satisfy itself that the funds so disbursed have been utilized 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 that effect.

In case of an 'Ongoing Project', the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

Ongoing Project means a multi-year project undertaken by a 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 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

The Board of Directors shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on the Company's Website, if any, for public access.

## **12. CSR Reporting**

The Board's Report shall include an annual report on CSR containing particulars as prescribed by the competent authority from time to time.

## **13. Impact Assessment**

In case the average CSR obligation of the Company in the three immediately preceding financial years exceeds Rupees Ten Crores in pursuance of Section 135 (5) of the Companies Act, 2013, the Company shall undertake an Impact Assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.

In case the Company undertakes impact assessment, it may book the expenditure towards such impact assessment to its Corporate Social Responsibility obligation for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

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

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*Without prejudice to the generality of the contents of this policy, the Company may undertake CSR projects, programs and activities as permitted under the framework of Companies Act, 2013 from time to time (including any amendments, clarifications, circulars, notifications or other official communications from time to time). The Company may also carry out the purposes of this CSR policy in accordance with any amended position of law from time to time notwithstanding that such amended position is not reflected in this policy.*