



Lion Services Limited

**CORPORATE SOCIAL
RESPONSIBILITY POLICY**

I. PREAMBLE:

The Corporate Social Responsibility Policy (Policy) of Lion Services Limited (hereinafter referred to as “the Company”) has been developed in accordance with Section 135 of the Companies Act, 2013 (Act) on Corporate Social Responsibility (CSR) read with the Companies Corporate Social Responsibility Rules, 2014 (Rules) as notified by the Ministry of Corporate Affairs, Government of India followed by circulars. It shall apply to all CSR Projects/ Programs undertaken by the Company as per the liberal interpretation of activities listed in Schedule VII of the Act, within the geographical limits of India alone, preferably towards the benefit of marginalized, disadvantaged, poor and deprived sections of the community and the environment.

The Company recognizes the impact it has on communities in which it operates and believes that it has a tremendous opportunity to change the lives of these communities and aims to be a trusted partner contributing to the social, economic and environmental growth of the Country. As part of its dedicated approach towards social work in various communities in which it operates, the Company, in its previous years, has already been contributing its time, expertise and resources to help communities and undertook a series of initiatives that were locally relevant.

II. SCOPE AND OBJECTIVE:

This Policy applies to all CSR projects that will be undertaken by the Company and shall fulfill all the requirements of Section 135 of the Companies Act, 2013 and the rules made thereunder. The company shall ensure all these activities are over and above the normal course of business and are in line with Schedule VII of the Companies Act, 2013. This Policy will be periodically reviewed and updated in line with the relevant codes of legislation and best practices that can be adopted by the Company.

As a responsible corporate citizen, the Company is committed to sustainable development and inclusive growth and has been focusing on issues relating to sanitation, healthy living, grassroots education, social advancement, promoting gender equality and empowerment of women over the past several years.

The gist of the activities for which the Company will spend the targeted amount specified in Schedule VII of the Companies Act. The Company may cover all or any of the following activities under the CSR undertaken in India. In other words, expenditures incurred in CSR projects or programs or activities undertaken outside India are not eligible to be covered under CSR expenditure. The CSR policy of the company shall include the following activities:

- a) Eradicating hunger, poverty and mal-nutrition, promoting preventive health care and sanitation including contribution to the “*Swachh Bharat Kosh*” set-up by the Central Government for 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 differently abled and livelihood enhancement projects;
- c) Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, daycare centers and other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- d) Ensuring environmental sustainability, ecological balance, and protection of flora and fauna, animal, welfare, agroforestry, conservation of natural resources and maintaining the quality of soil, air and water including contribution to the “Clean Ganga Fund” setup by the Central Government for rejuvenation of river Ganga;
- e) 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;
- f) Measures for the benefit of armed forces veterans, war widows and their dependents;
- g) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- h) Contribution to 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 Schedule Tribes, other backward classes, minorities and women;
- i) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- j) Rural development projects.
- 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.”

III. DEFINITIONS

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

“**Applicable laws**” means other laws and statutes applicable to the Company.

“**Board**” means the board of directors of the Company as constituted from time to time.

“**Committee**” means Corporate Social Responsibility Committee of the Company as constituted or reconstituted by the Board.

“**Company**” means Lion Services Limited

“**Policy**” or “**This policy**” means Corporate Social Responsibility Policy.

“**Year**” means financial year.

Any other term not define adhere in shall have the same meaning as defined in the Companies Act, 2013, as amended from time to time.

IV. CONSTITUTION OF CSR COMMITTEE

As per the provisions of Section 135 of the Companies Act, 2013, (hereinafter referred to as ‘the Act’), the Board of Directors of the Company shall constitute a Corporate Social Responsibility Committee of the Board (hereinafter referred to as “CSR Committee”). The committee shall meet at least once in a year to review the implementation of CSR activities/projects/ programs. The onus for the successful and time-bound implementation of the CSR activities/ projects on the ground rests with the CSR team.

V. ROLE OF CSR COMMITTEE

Pursuant to the provisions of Section 135(2), the CSR Committee shall inter alia, carry out the following functions:

- a) to formulate and recommend to the Board, a Corporate Social Responsibility Policy indicating activities to be undertaken as specified in the prescribed Schedule;
- b) setting of goals and objectives along with budgets on CSR projects;
- c) to recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- d) instituting a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.
- e) deciding the priority of the activities to be undertaken under CSR.
- f) issuing Annual Report on CSR activities to be included in the Board Report.

- g) details of need and impact assessment, if any, for the projects undertaken by the Company.
- h) to monitor the Corporate Social Responsibility Policy from time to time.

VI. IMPLEMENTATION OF CSR PROJECTS, PROGRAMS AND ACTIVITIES

- a) The Company shall undertake the CSR projects or programs in accordance with the provisions of Section 135 read with Schedule VII of the Act and rules made thereunder, with the approval of the Board of Directors on the recommendation of CSR Committee.
- b) As outlined in the Companies (Corporate Social Responsibility Policy) Rules, 2014 and pursuant to Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the Company may undertake CSR projects/ programs directly, or through a registered trust or a registered society or a special purpose company or any Implementing Agency etc. It may also collaborate with other companies for undertaking CSR projects. The Company may incur expenditure to build CSR capacity of its own personnel or other implementation institutions subject to the 5% expense cap as specified in the Rules.
- c) The Company shall give preference to the local areas where it operates, for spending the amount earmarked for CSR activities.
- d) The Company would have the expertise or will develop expertise, taking help from partners/ advisors as required, in the selected CSR activities to be able to execute the programs effectively, and add value to the Programs in addition to providing funds.
- e) The Company will maximize opportunities for its employee to participate in the selected CSR activities as volunteers to enable them to give back the society.
- f) The Company shall target to run an efficient CSR program ensuring that the maximum proportion of its funding is used for actual programs rather than administrative or other activities (not more than 5%).
- g) The Company considers its CSR spending as an important investment in the welfare of its stakeholders and for a better future for the company and society.
- h) The CSR activities which are exclusively for the benefit of employees of the Company or their family members shall not be considered as CSR activity.

VII. ALLOCATION OF BUDGET

Keeping in line with the provisions of Section 135 of the Act a specific budget shall be allocated for CSR activities and spending on CSR activities shall not be less than 2% of the average net profits of the Company made during the three immediately preceding financial years. The

Approving authority for the actual CSR amount to be spent would be the Managing Director or Chief Executive Officer or Chief Financial Officer of the Company, and shall also ensure that expenditure incurred for CSR projects are in accordance with the approval by the Board.

The surplus, if any, arising out of the CSR projects or programs or activities shall not form part of the business profits of the Company and Such income or surplus:

- a) 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
- b) shall be transferred 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

Only that quantum of CSR expenditure that has been incurred on projects or programs or activities undertaken in India shall qualify for CSR expenditure.

CSR expenditure shall include all expenditure for projects or programs relating to CSR activities as approved by the Board on the recommendation of the CSR Committee, however it shall 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 the Companies Act 2013.

The tax treatment of CSR spent will be in accordance with the Income Tax Act as may be notified by CBDT from time to time.

VIII. MONITORING MECHANISM

The goals and objectives along with the annual budgets of CSR to be discussed and signed off at the beginning of every financial year with the CSR committee and the Board of Directors.

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

- i) list of CSR projects to be undertaken
- ii) the manner of execution of such projects,
- iii) utilization of funds,
- iv) monitoring and reporting mechanisms for the projects or programs; and
- v) details of need and impact assessment, if any, for the projects undertaken by the Company

The Board of Directors may alter the plan, any time during the financial year, as per the recommendation of its CSR Committee.

The CSR Committee allocates the budgets to programs and projects in domains that are aligned with the CSR policy. A significant proportion of our programs comprise ongoing, long-term

projects and these are deemed to be approved till the end of the period specified in their contracts/agreements.

Along with the approval of the annual plan, the CSR committee to review the progress of all key programs vis-à-vis its broad objectives for the previous year including effective utilization of the funds and a formal assessment of outcomes and impacts as considered relevant by the Board and the Committee.

All decisions on outcome/impact evaluation are required to be presented to the CSR Committee /Board once a year.

IX. IMPACT ASSESSMENT

The Company shall undertake an impact assessment of the CSR activities undertaken by the Company through an independent agency:

- i) If the average CSR obligation of the Company, in the 3 immediately preceding financial years is Rs. 10 crores or more;
- ii) The activity or the CSR project has an outlay of Rs 1 crore or more;
- iii) Considering the company's performance and its net profit crosses the threshold, Committee shall appoint an independent agency to complete the impact assessment.

In this regard, our approach to the evaluation of program outcomes and impacts is guided by the recognition of the complex reality underlying social change and developmental progress, especially in a diverse country like India. We think it is critical to recognize widely varying contextual nuances, the intricate web of interconnections within and across domains and the often-uncertain trajectory of long-term outcomes that lead to meaningful impacts. Illustratively, meaningful outcomes in school education are not only a result of the quality of teaching-learning that happens within the boundaries of a school but are closely correlated with the issues of gender, community resilience, livelihoods, energy access, clean water and sanitation. Incorporating such an approach while simultaneously avoiding the trap of standardized templates with a fixation on quantified outcomes is what characterizes our policy on impact assessment. All decisions on outcome/impact evaluation are taken by the CSR Committee and presented to the Board as part of the annual planning and review cycle.

X. MISCELLANEOUS

1. Any words used in this policy but not defined herein shall have the same meaning ascribed to it in the Articles of Association of the Company and /or the Companies Act, 2013 or Rules made thereunder.
2. In case of any doubt, ambiguity, dispute or difference arise out of the meaning/interpretation of any word or provision in this Policy, the same shall be referred to the Committee, if formed, otherwise board and the decision of such Committee/ Board in such case shall be final.

3. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy and further the objective of good corporate governance.

This policy shall be effective from the date of Board approval.

XI. POLICY REVIEW AND AMENDMENTS

1. The company's Committee will monitor the effectiveness and review the implementation of this Policy, considering its suitability, adequacy and effectiveness.
2. The company reserves the right to vary and/or amend the terms of this Policy from time to time.

XII. DISCLOSURES

The Company shall comply with Section 135(2), 135(4)(1) and 134(3)(o) of the Act thereby ensuring that it makes full disclosure of its CSR Policy, Strategy, Projects / Programs, Activities, monitoring mechanism, Implementing Agencies, Expenditure details as well as the composition of the CSR Committee of the Board.

XIII. DISCLAIMER

1. The Policy does not in any way restrict the provisions of the Companies Act, related rules and Regulations or any other statutory laws.
2. Given the aforementioned uncertainties, prospective or present investors are cautioned not to place undue reliance on any of the forward-looking statements in the Policy.