

LAST MILE ENTERPRISES LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

**PURSUANT TO SECTION 135 OF THE COMPANIES ACT, 2013
READ WITH COMPANIES (CORPORATE SOCIAL
RESPONSIBILITY POLICY) RULES, 2014**

➤ **INTRODUCTION**

Corporate Social Responsibility is not a new concept in India, however, the Ministry of Corporate Affairs, Government of India has notified the Section 135 of the Companies Act, 2013 along with Companies (Corporate Social Responsibility Policy) Rules, 2014 "hereinafter CSR Rules" and other notifications related thereto which makes it mandatory (with effect from 1st April, 2014) for certain companies who fulfill the criteria as mentioned under Sub Section 1 of Section 135 to comply with the provisions relevant to Corporate Social Responsibility.

As mentioned by United Nations Industrial Development Organization (UNIDO), CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives ("Triple-Bottom-Line-Approach"), while at the same time addressing the expectations of shareholders and stakeholder

➤ **APPLICABILITY:**

According to section-135 of companies act, 2013 and companies (corporate social responsibilities policy) Rules,2014, every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more directors, out of which at least one director shall be an Independent director.

Once the company falls under the ambit of CSR, the company shall spend, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

The CSR Committee constituted shall be required to formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company.

➤ **Objectives of the Policy**

This Policy shall be read in line with Section 135 of the Companies Act 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other rules, regulations, circulars, and notifications (collectively referred hereinafter as 'Regulations') as may be applicable and as amended from time to time and will, inter-alia, provide for the following:

- Establishing a guideline for compliance with the provisions of Regulations to dedicate a percentage of Company's profits for social projects.

- Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting
- Creating opportunities for employees to participate in socially responsible initiatives.

➤ **REPORTING FOR CSR**

Rule 8 of the CSR Rules provides that the companies, upon which the CSR Rules are applicable on or after 1st April, 2014 shall be required to incorporate in its Board's report an annual report on CSR containing the following particulars:

- A brief outline of the company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR policy and projects or programs;
- The composition of the CSR Committee;
- Average net profit of the company for last three financial years;
- Prescribed CSR Expenditure (2% of the amount of the net profit for the last 3 financial years);
- Details of CSR Spent during the financial year;
- In case the company has failed to spend the 2% of the average net profit of the last three financial year, reasons thereof.

➤ **COMPOSITION OF CSR COMMITTEE:**

The CSR committee shall consist of the following directors:

1. Mr. Hemrajsinh S Veghela, Chairman
2. Mr. Amit Gulati, Member
3. Mrs. Bharti Sharma, Member

➤ **ROLE OF THE COMMITTEE:**

The responsibilities of CSR committee include;

1. Formulating and recommending to the Board of Director the CSR policy and indicating activities to be undertaken,
2. Recommending the location for undertaking CSR activities,

3. Recommending the amount of expenditure for the CSR activities, and
4. Monitoring CSR activities from time to time.

➤ **AREAS OF CSR ACTIVITIES:**

The activities involve the following:

- Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- 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;
- 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;
- Measures for the benefit of armed forces veterans, war widows and their dependents;
- Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;
- Contribution to the Prime Ministers' 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 Scheduled Tribes, other backward classes, minorities and women;
- Contributions or funds provided to technology incubators located within academic institution which are approved by the Central Government;
- Rural development projects.

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.

➤ **The Geographic reach**

- The Act provides that the Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility.
- The Company will thus give preference to conducting CSR activities in the state of Bihar wherein the Company has/will have its operations. However, the Committee may identify such areas other than stated above, as it may deem fit, and recommend it to the Board for undertaking CSR activities.

➤ **Annual spends/Allocation of Funds**

The Company would spend not less than 2% of the average Net Profits of the Company made during the three immediately preceding financial years. The surplus arising out of the CSR activity will not be part of business profits of the Company. The Corpus would thus include the 2% of average net profits, as aforesaid, any income arising there from and surplus arising out of CSR activities.

However if the Company ceases to be covered under subsection (1) of Section 135 of the Act for three financial years, then it shall not be required to, comply with the provisions laid down under sub-section (2) to (5) of the said section, till such time it meets the criteria specified in sub-section (1) of the Act.

➤ **Administration of CSR Projects**

The Corporation can meet its CSR obligations by funneling its activities on its own or through a third party, such as a society, trust, foundation, agency or Section 8 company (i.e., a company with charitable purposes) that has an established record in CSR-like activities.

➤ **Amendments to the policy**

The Board of Directors on its own and/or on the recommendation of CSR committee can amend its policy as and when required deemed fit. Any or all provisions of CSR Policy would be subjected to revision/amendment in accordance with the regulations on the subject as may be issued from relevant statutory authorities, from time to time.

➤ **IMPLEMENTATION , MONITORING & REVIEW MECHANISM:**

The CSR activities will be directly undertaken by the company under the guidance of CSR committee. The CSR Committee will play a significant role in ensuring that the CSR policy is effectively implemented by the company.

The CSR Committee will be responsible for monitoring approved activities and fund disbursements for such activities. The CSR Committee will put in place a transparent monitoring and reporting mechanism for ensuring effective implementation of the projects, programs and activities proposed to be undertaken by the company. Such monitoring mechanisms will include visits, meetings and progress/status reporting.

Any or all provisions of this CSR policy may be amended by the Board based on the recommendations of the CSR Committee or in accordance with any statutory guidelines that may be issued from time to time.

➤ **DISCLOSURE OF THIS POLICY**

The policy will be uploaded on Company's website(www.lastmileenterprisesltd.com) for public information.