

**FOCUS**

LIGHTING & FIXTURES LTD.

**CORPORATE SOCIAL  
RESPONSIBILITY POLICY**

## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

### **I. Purpose:**

The Corporate Social Responsibility (CSR) Policy has been developed in accordance with section 135 of the Companies Act, 2013 ("the Act") on CSR and in accordance with the CSR Rules and amendments duly notified by the Ministry of Corporate Affairs, Government of India. This Policy shall apply to all CSR projects/programmes undertaken by Focus Lighting And Fixtures Limited ("FLFL") as per Schedule VII of the Act.

#### **The objectives of this policy are to:**

- a. Serve as the principal guiding document for FLFL's CSR initiatives.
- b. Describe core programmatic themes and related impact areas as per Schedule VII.
- c. Outline projects and geographies for undertaking CSR initiatives.
- d. Provide the framework for selection, implementation, governance, management and monitoring of CSR initiatives.

### **II. Policy:**

1. FLFL will undertake its CSR activities/programmes/projects through an entity/organization approved by the CSR Committee. The CSR activities would have clear objectives and would also give lasting benefits to the community. It shall also allow staff engagement through volunteering where ever possible or appropriate.
2. FLFL shall give preference to the local area and area around which it operates for spending the amount on CSR activities. It shall also undertake activities in such other areas as may be decided by the CSR Committee.
3. The Company has adopted and formulated CSR Policy as recommended by CSR Committee in the Meeting of Board of Directors held on June 28, 2021. It shall be effective from April 01, 2021 and the same shall be available on the Company's website.

### **III. CSR COMMITTEE:**

1. The CSR Committee shall be responsible for providing recommendations to the Board with respect to CSR Activities that may be undertaken by the Company in accordance with the CSR Policy as well as the Act and the CSR Rules.
2. Without prejudice to the generality of the foregoing, the CSR Committee shall be responsible for the following activities:
  - a. Formulating and recommending CSR activities to the board of directors;

- b. Recommend amount of expenditure;
  - c. Monitor CSR policy of the company; and
  - d. Formulate annual action plan in pursuance of the CSR policy in accordance with the applicable law, and inclusive of the following items:
    - i. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
    - ii. the manner of execution of such projects or programmes
    - iii. the modalities of utilisation of funds and implementation schedules for the projects or programmes;
    - iv. monitoring and reporting mechanism for the projects or programmes; and
    - v. details of need and impact assessment, if any, for the projects undertaken by the company.
3. The CSR Committee shall consist of three or more Directors amongst whom at least one shall be an Independent Director.
4. The CSR Committee shall hold meetings which shall be attended by minimum of two members of the Committee. The meetings shall be held at the registered office or at any other place as may be agreed by the members of the Committee.
5. All questions of interpretation or discrepancies which shall arise under, or as a result of, or pursuant to, or in connection with the implementation of the CSR Policy or any initiative or activities undertaken by the Company in terms of the CSR Policy, shall be referred to the CSR Committee for their inputs and the final decision/determination/ interpretation shall rest with the Board.
6. The Committee shall periodically review the implementation of the CSR Programmes and issue necessary direction from time to time to ensure orderly and efficient execution of the CSR programmes in accordance with this Policy. It would be the responsibility of the CSR Committee to periodically keep the Board apprised of the status of the implementation of CSR activities.
7. No member of the CSR Committee shall be personally liable for any decision or action taken in good faith with respect to the CSR Policy.

#### **IV. Impact areas as per Schedule VII of the Companies Act, 2013:**

FLFL will select all or any of the following CSR activities for implementation in the area of its operations, namely:

- a. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and 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 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, 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, 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.
- 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 art and handicrafts.
- f. 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;
- g. training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports.
- h. contribution to the prime minister's national relief 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.
- i. contributions or funds provided to technology incubators located within academic institutions which are approved by the central govt.
- j. rural development projects.
- k. slum area development.
- l. Disaster management including relief, rehabilitation and reconstruction activities; and
- m. such other activities as may be prescribed by the law from time to time.

Based on the recommendations of the CSR Committee, the Board shall approve the CSR activities of the Company for a given financial year.

#### **V. CSR Expenditure:**

1. The Company would 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 the provisions of the Companies Act, 2013 or such other amount as may be prescribed from time to time.

2. The CSR Committee shall recommend the manner in which the CSR Expenditure shall be incurred in a year, in accordance with the Act and the Rules and the CSR Policy.
3. The Board shall be responsible for sanctioning the CSR Expenditure and along with the CSR Committee responsible for taking steps to ensure that the amount for the CSR Expenditure is spent to the Implementation Agency towards the CSR Activities.
4. Any surplus arising out of the CSR Activities shall not form part of the business profit of the Company and may only be re-allocated to the CSR Activities being undertaken in terms of this CSR Policy and the annual action plan for the financial year in which such surplus has arisen.
5. In order to count towards CSR Expenditure, CSR Activities must be undertaken in compliance with the applicable laws and shall not include the following:
  - a. 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;
  - b. contribution of any amount directly or indirectly to any political party under Section 182 of the Act;
  - c. activities benefitting employees of the company;
  - d. activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services; and
  - e. activities carried out for fulfilment of any other statutory obligations under any law in force in India.
6. The Board shall ensure that administrative overheads not to exceed 5% of total CSR expenditure of the Company for the financial year relating to the general management and administration of CSR functions in the Company for the financial year.
7. Where the Company spends an amount in excess of requirement provided under Section 135(5) of the Act, such excess amount may be set off against the requirement to spend under section 135(5) up to immediate succeeding three financial years subject to certain conditions.
8. Any unspent amount, other than unspent amount relating to an ongoing project, will be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. Further, unspent CSR funds of ongoing projects will be transferred within a period of 30 days from the end of the financial year to a special account opened by the company in any scheduled bank called the "Unspent Corporate Social Responsibility Account". Such amount shall be spent by the company towards CSR within a period of 3 financial years from the date of such transfer, failing which, the

company shall transfer the same to a Fund specified in Schedule VII, within a period of 30 days from the date of completion of the third financial year.

## **VI. IMPLEMENTATION OF THE CSR POLICY:**

1. The CSR activities / projects listed in the approved Annual Plan shall be implemented directly using internal resources or through any of the following entities as “Implementation Agency” being duly registered with the Central Government and having a unique CSR Registration Number (with effect from 1 April 2021):
  - a. Company established under section 8 of Indian Companies Act 2013, or Trust, or Society registered under section 12-A and 80-G of the Income Tax Act 1961, being established by the Company, either singly or along with any other company;
  - b. Company established under section 8 of Indian Companies Act 2013, or Trust, or Society, being established by (Indian) Central Government or (Indian) State Government;
  - c. Any entity established under an act of (Indian) Parliament or a (Indian) State Legislature.
2. The Company shall conduct due diligence prior to selection of an entity as its implementation agency, to inter alia verify the credentials and ensure that the proposed implementation agency is eligible and capable to be appointed as such.
3. The Company may engage international organizations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR.
4. The Company may also collaborate with other companies to undertake CSR projects, provided the CSR Committees of the respective companies are able to report separately on such projects.
5. In case of failure to ensure the minimum CSR Expenditure i.e. 2% (two percent) of average Net Profits of the Company made during the three immediately preceding financial years, detailed reasons for the same should be submitted by the CSR Committee to the Board. Further the Board shall duly include such explanation in their annual board of directors’ report.

## **VII. MONITORING PROCESS:**

1. To ensure that the objectives of CSR Policy are being met in an efficient and effective manner, the utilisation of the amount sanctioned towards CSR Activities should be reported by the CSR Committee to the Board in such manner as the CSR Committee may direct.

2. The CSR committee to monitor the progress of the annual action plan and the multi-year programs, their manner of execution, modalities of utilization of funds and implementation schedules along with details of need and impact assessment for projects as required.
3. The funds to be disbursed shall be utilised for the purposes and in the manner as approved by the Board.
4. In the event any of the CSR Activities are undertaken through an Implementing Agency, the CSR Committee should obtain relevant information from the Implementing Agency and ensure that the progress on such CSR Activity is submitted to the Board.
5. The Board of Directors of FLFL shall also monitor the CSR Programmes / Projects in such manner and on such periodicity as may be required by the Act / the Rules.

**VIII. Amendments to the policy:**

The Board of Directors, either on its own or as per the recommendations of CSR Committee, can amend this Policy, as and when required. The decision of the Board of Directors on all matters, relating to this Policy, shall be final and binding upon all concerned. This Policy is subject to continuous review and updates as required from time to time.

**IX. Contact:**

For queries related to CSR policy, please write to us at –

Legal & Secretarial Department,  
Focus Lighting And Fixtures Limited,  
1007-1010, A-Wing, Corporate Avenue,  
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