

LG Soft India Private Limited – Corporate Social Responsibility Policy

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PREAMBLE

We, LG Soft India Private Limited (Company), contribute to harmonious and sustainable development of society and the earth through the business activities carried out by us, based on our Guiding Principles.

We comply with local and national regulations as well as the spirit thereof and we conduct our business operations with honesty and integrity. In order to contribute to sustainable development, we believe that management interacting with its stakeholders as described below is of considerable importance, and we will endeavour to build and maintain sound relationships with our stakeholders through open and fair communication.

OBJECTIVE

The 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 as may be applicable and as amended from time to time and will, inter alia, provide for the following:

Establishing guidelines for compliance with the provisions of Regulations to dedicate a percentage of Company's profits for social projects,

Ensuring the implementation of CSR initiative in letter and spirit through appropriate procedures and reporting.

CSR Scope

The Policy recognizes that corporate social responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas as notified under Section 135 of the Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014.

Management Focus Area would be:



Environment



Education



National Heritage
Art and Culture



Incubators or Research
and Development

The Board of a company may decide to undertake its CSR activities approved by the CSR Committee, through:

- a) A company established under section 8 of the Act or a registered trust or a Registered society, established by the company, either singly or along with any Other company.
- b) 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 or any entity established under an Act of Parliament or a State legislature.

Allocation of Funds

The Company would spend, in every financial year at least 2% of average net profits of the Company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

(1) The board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

(2) 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, within a period of six months of the expiry of the financial year.

(3) Where a company spends an amount in excess of requirement provided under sub-section (5) of section 135 , such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that –

The excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule.

The Board of the company shall pass a resolution to that effect

Role and Responsibilities of the CSR committee

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, namely:-

- (a) The list of CSR projects or programs that are approved to be undertaken in areas Or subjects specified in Schedule VII of the Act;
- (b) The manner of execution of such projects or programs as specified;
- (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;

Composition of CSR committee

Committee would consist of Board of Directors i.e. two directors of LGSI and few LGSI employees whose name are recommended by the Board of Directors of LG Soft India Pvt Ltd provided members of committee can be changed based on the decision of the Directors in Board Meeting .

CSR Reporting

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