

# LOKESH MACHINES LIMITED

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## Corporate Social Responsibility Policy

(CSR Policy)

### **Context**

Corporate Social Responsibility (CSR) has been a strong-standing commitment at **Lokesh Machines Limited** and forms an integral part of our activities. Accordingly, Corporate Social Responsibility ("CSR") Policy is rooted in the Company's core values of quality, reliability and trust guided by best practices, and driven by our aspiration for excellence in the overall performance of our business. Through its various initiatives, the Company endeavors to play a relevant role by serving society and programmes that address gaps in basic societal requirements. With this objective, the Board of **Lokesh Machines Limited** has approved a Corporate Social Responsibility Policy (CSR) today i.e. on 13<sup>th</sup> Feb, 2020.

### **Applicability**

This CSR Policy is applicable to the Company, which is mandated with the CSR expenditure obligations as per Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

### **Scope**

Scope of this Policy covers proposed CSR activities to be undertaken by the Company and examining their alignment with Schedule VII of the Companies Act, 2013 as amended from time to time. It covers the CSR activities which are being carried out in India only and includes strategy that defines plans for future CSR activities.

However, subject to applicability of provisions of the act, the Company shall in FY 2019-20 implement its CSR activities in various sectors which may include but not limited to Healthcare, Education, Rural Development, Environment protection, Go green initiatives or any other area as may be prescribed by Schedule VII of the Act as amended from time to time.

### **Constitution of Corporate Social Responsibility Committee**

The Board of Directors of Lokesh Machines Limited has formed a Corporate Social Responsibility Committee (the "CSR Committee") in line with section 135 of the Companies Act, 2013 read with the Rule 5 (1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

### **Guiding Principles for Constitution of CSR Committee:**

The CSR Committee will consist of three members, out of which at least one director is independent director.

The Committee will meet as required, to discuss and review CSR activities and Policy. A quorum of two members is required to be present for the proceedings to take place. Such other meetings of the Committee can be convened as and when deemed appropriate. The Committee members may attend the meeting physically or via such audio visual means as permitted under the Act. The Committee shall have the authority to call such employee(s), senior official(s) and or externals, as it deems fit. The Company Secretary shall act as Secretary to the Committee.

### **Committee Members:**

Mr. B.R. Mahesh	-	Director – Chairperson
Mr. R, Mohan Reddy	-	Director- Member
Mr M. Lokeswara Rao	-	Director - Member
Mr. M. Srinivas	-	Director – Member
Mr. M. Srikrishna	-	Director – Member
Mr. B. Kishore Babu	-	Director --Member

### **Responsibilities of the Committee:**

- i. Formulating and recommending to the Board of Directors the CSR Policy and indicating activities to be undertaken,

- ii. Recommending the amount of expenditure needs to be spent for the CSR activities, and
- iii. Monitoring CSR activities from time to time.

### **Core Focus Areas**

In accordance with the requirements under the Companies Act, 2013, Lokesh Machines Limited has identified five focus areas:

**Education:** Promoting education, including special education and employment-enhancing vocational skills especially among children, women, elderly and the differently baled, and livelihood enhancement projects; monetary contributions to academic institutions for establishing endowment funds, chairs, laboratories, etc., with the objective of assisting students in their studies.

**Health:** Affordable solutions for healthcare through improved access, awareness and health seeking behavior.

**Hunger, Poverty & Malnutrition:** Eradicating extreme hunger, poverty and malnutrition.

**Rural Transformation:** Strengthening rural areas by improving accessibility, drinking water and sanitation.

**Disaster Response:** Managing and responding to disaster

### **Goals**

#### ***Education:***

Company's focus on empowering visually impaired students with education, training, skill enhancement thereof.

#### ***Health:***

Primary health care centers  
Preventive health through awareness programmes.  
Immunization programmes with a Blood Donation Camp etc.  
Health care for visually impaired, and physically challenged  
Mother and Child care projects

### **Funding, Selection and Monitoring Process**

The total budget for the CSR projects will be calculated and recommended by the CSR Committee in accordance with applicable provisions of the Act and the CSR Rules. The Company will undertake activates as approved by the CSR Committee and shall monitor the same from time to time.

### **Treatment of Surpluses**

Any surplus generated from CSR projects undertaken by us will be tracked and channelized into our CSR corpus. These funds will be further used in development of the CSR projects and will not be added to the normal business profits. However surplus generated from CSR project shall be treated in the manner as recently prescribed and amended by Companies Amendment Act, 2019 (which is yet to be notified).

### **Reporting of CSR Initiatives**

CSR Committee of the Board will periodically consider the progress report on the various CSR initiatives taken up by the Company. Details of the CSR activities undertaken by the company and amounts spent along with reasons for

## Lokesh Machines Limited CSR Policy

spends below budgeted levels, if any, shall also be reported in Lokesh Machines Limited's Annual Report under Directors' Report and displayed on the website of the Company.

### **General**

Any or all provisions of this CSR policy would be subjected to revision / amendment as per any guidelines/notifications/circular issued by the MCA as per Companies Act, 2013 read with the relevant Rules from time to time and / or as recommended by the CSR Committee and approved by the Board of Directors of Lokesh Machines Limited. The company reserves the right to modify, cancel, add or amend rules/ provisions specified in the CSR policy which is align with the Act and Rules.

### **Dissemination**

The content of this Policy and CSR projects undertaken under this Policy shall be disclosed from time to time in the Company's Annual Financial Statements, Annual Report and on the Company's website.

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