



**Lovable Lingerie Limited (“LLL”)**  
**Corporate Social Responsibility (“CSR”) Policy**

**1. Introduction**

Corporate Social Responsibility is considered to be one of the necessary underlying values for the growth of our economy and social justice. It has become an integral part of every corporate’s strategy. With the enactment of the Companies Act, 2013 (“the Act”), Corporate Social Responsibility (“CSR”) became a norm in India. Much progress has been made on this subject since then. The introduction of CSR provisions under the Act was a significant legislative effort undertaken to involve corporates as partners in the social development process of the country and in strengthening the social responsibility of businesses.

**2. Objective**

This policy aims to contribute towards sustainable development of the society and environment to make the planet a better place for our future generations. To operate in an economical, social and environmentally sustainable manner, while taking into account the interests of all stakeholders. To take up programmes that directly or indirectly benefit the communities where the LLL operates and to generate community Goodwill.

**3. Applicability**

The CSR Policy is formulated in accordance with the provisions of section 135 of the Companies Act, 2013 and rules made thereunder and other applicable laws to the Company.

Notwithstanding anything to the contrary contained in this CSR Policy but subject to applicable law, in the event that the Company does not fall under the thresholds set out under Section 135(1) of the Act for three consecutive financial years, it shall not be required to:



- (i) comply with the provisions of this CSR Policy and the provisions of the Act; and
- (ii) spend towards CSR as defined in the Act and this CSR Policy.

till such time as it again meets the criteria specified in Section 135(1) of the Act.

#### **4. Objective, Mission and Vision**

CSR policy has been formulated with the following Objectives, Mission and Vision:

- The Company believes in growing together with the community and that the progress of the local community should go hand-in-hand with the growth of the Company. The Company therefore intends to concentrate on the communities immediately around its areas of operation and support their upliftment by giving back to the community and addressing their needs.
- The Company believes in delivering support to meet the needs of the community and sustainable development.
- This CSR Policy sets out our commitment to ensuring that our activities extend beyond business and include initiatives and endeavors for the benefit and development of the community and society.

#### **5. Definitions**

1. "Act" means the Companies Act, 2013;
2. "Board of Directors" or "Board" means the collective body of the directors of the Lovable Lingerie Limited;
3. "Company" means Lovable Lingerie Limited or LLL;
4. "CSR Activities" means such programs and projects as may be approved by the Board in terms of this CSR Policy and may include any activities as specified under schedule VII of the Act;
5. "CSR Committee" means Corporate Social Responsibility Committee constituted by the Board of Directors of LLL, whenever applicable from time to time;



6. “CSR Expenditure” means the amount to be incurred on the CSR Activities in India in terms of the Act and the CSR Rules as approved by the Board from time to time;
7. “CSR Policy” means CSR Policy of Lovable Lingerie Limited or LLL; and
8. “CSR Rules” means the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time;
9. “Net Profit” means net profit in accordance with the provisions of section 198 of the Act and as per its financial statement with the applicable provisions of the Act, but doesn’t include:
  - a. Any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise; and
  - b. Any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act.
10. Any term not defined above, shall have the meaning assigned to it under the Act or the CSR Rules.

## **6. APPROACH AND DIRECTION OF THE BOARD ALONG WITH GUIDELINES FOR SELECTION, IMPLEMENTATION AND MONITORING OF ACTIVITIES:**

### **A. The Board shall be responsible for:**

- Implementing the mandate of the CSR Policy and shall ensure that the CSR Activities are carried out in accordance with the CSR Policy read with the Act and CSR Rules and the annual action plan to be formulated from time to time.
- Approve this policy, causes that the Company proposes to support, programs to be undertaken by the Company, modalities of operation and the budget for the activities including monitoring the CSR Policy of the Company on a regular basis, ensuring that it is updated for any change or enhancement in scope.
- Ensure that CSR activities included by a Company in its Corporate Social Responsibility Policy are related to the activities included in Schedule VII of the Act.
- Determine the amount of expenditure to be incurred on the CSR activities.
- Ensure that the Company spends, a required amount as per section 135 of the Act.

- Formulate annual action plan in pursuance of this CSR policy in accordance with the applicable law, and inclusive of the following items:
    - a) the list of CSR projects or programmes 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 programmes;
    - c) the modalities of utilisation of funds and implementation schedules for the projects or programmes as may be mutually agreed between the Company and Implementing Agency, in case the amount spend through Implementing Agency;
    - d) monitoring and reporting mechanism for the projects or programmes; and
    - e) details of need and impact assessment, if any require under the provisions of the Act, for the projects undertaken by the company.
  - The Board may alter such plan at any time during the financial year, based on the reasonable justification to that effect.
  - If applicable, the Board's Report issued under clause (o) of sub-section (3) of section 134 shall include an annual report on CSR containing particulars specified in Annexure to the CSR Rules.
  - If the Company fails to spend such amount, specify the reasons for not spending the amount in its annual report, if any due to the events which are beyond the control of the Company e.g. force majeure events such as floods, earthquake, act of god, pandemic, epidemic, lockdown etc. due to which the necessary amount may not be spent by the Company.
- B. **Mode of Implementation:** The CSR Activities may be undertaken by the Company directly or through a company established under section 8 of the Act or a registered public Trust or a registered Society registered under Income Tax Act 1961 (having an established track record of at least three years in undertaking similar activities) or established by the Central Government or the State Government or under an Act of Parliament or a State Legislature, by appointing as ***“Implementation Agency”*** being duly registered and having a unique CSR Registration Number, either singly or along with any other Company in accordance with the provisions of the Act and rules made thereunder.
- C. 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.

- D. The Board of the Company shall satisfy itself that the funds so disbursed have been utilised for the purpose and the manner as approved by it and the Chief Financial Officer or person responsible for financial management in the Company shall certify the same.

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 this CSR Policy or any initiative or activities undertaken by the Company in terms of this CSR Policy, shall be attended / resolved by the Board and the final decision/determination/ interpretation shall rest with them.

## **7. CSR Activities**

The Company shall undertake CSR activities for the development of the society and the environment, particularly in the vicinity of the areas where the facilities of the Company are located.

- A. The company shall undertake such activities which are broadly related to any of the following:**

The CSR activities of LLL will focus on enhancing the quality of life of all aspects of society - health, hygiene, education, environment, etc. These activities will be in alignment with the following activities listed under Schedule VII of the Companies Act, 2013:

- a) Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive health care and sanitation;
- 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;
- 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) Rural development projects;
- i) Development of area declared as “slum area” by the Government or Competent Authority; and
- j) Disaster management, including relief, rehabilitation and reconstruction activities.

**B. The company may also contribute to the following funds as part of CSR activities:**

- a) Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- b) Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;

- c) Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- d) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government;
- e) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

Schedule VII must be interpreted liberally so as to capture the essence of the subjects enumerated in the said Schedule. The items enlisted in the Schedule VII of the Act, are broad-based and are intended to cover a wide range of activities.

The Board or CSR Committee, as the case may be, should consider details of CSR projects as elaborated in the annual action plan for each financial year. Any CSR activity proposed to be undertaken as a CSR initiative, but not specifically covered in the aforesaid, may be undertaken only with the prior approval of the Board and CSR Committee.

The above list is illustrative and not exhaustive.

## 8. Annual Action Plan

The Board shall formulate or CSR Committee, shall formulate and recommend to the Board, as the case may be, an annual action plan which shall include the following:

- a) the list of CSR projects or programmes that are approved and to be undertaken by the company;
- b) the manner of execution of such projects or programmes;
- c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- d) monitoring and reporting mechanism for the projects or programmes; and
- e) details of need and impact assessment, if any, for the projects undertaken by the company.

The Board is empowered to alter the annual action plan during the financial year, if so recommended by the CSR Committee, as the case may be, based on the reasonable justification for such change.

## 9. CSR Spending

The company shall endeavor to achieve the objectives of CSR Policy and allocate every year:

- a) Minimum 2% of its average net profits made during the three immediately preceding financial years;
- b) Any income or surplus arising out of the CSR activities, projects or programs shall not form part of the business profit of the company and the same shall be ploughed back for use in CSR activities.





All the expenditures relating to CSR shall be pre-approved by the Board or CSR Committee, as the case may be. The CFO shall monitor the utilization of funds for the purposes set forth and certify to this effect. Unspent CSR amount, if any, shall be transferred to a separate account in accordance with the applicable CSR Rules from time to time.

However in any financial year, if for any reason, the Company is unable to spend the amount as stated above, the Board shall provide suitable explanation stating the reasons thereof and the same shall be included in the Directors' Report.

#### **10. Monitoring Process**

- A. 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 Implementation Agency to the Board on a periodic basis in such manner as the Board may direct.
- B. For the purposes of monitoring, the Authorised person of the Company may visit the sites or places to review CSR project / programmes and carry out inspections as recommended by the Board from time to time.
- C. Upon receipt of such progress report by the Implementation Agency, the Board may review and deliberate upon such reports and provide such inputs or recommendations, as it may deem necessary.

#### **11. Reporting and Record Keeping**

Based on the applicability, the Board's Report of the Company shall include an annual report on CSR containing particulars as specified by the Act and the CSR Rules and as amended from time to time.

The impact assessment report (if applicable) shall be placed before the Board and shall also be annexed to the annual report on CSR.



If the Company undertakes impact assessment it may book the expenditure towards CSR for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is less.

The Company shall disclose CSR Policy and projects approved by the Board on its website.

This policy shall, overall, be governed by Companies (Corporate Social Responsibility Policy) Rules, 2014 as may be amended from time to time.

## **12. Capital Assets**

Capital asset acquired / created by CSR projects should be held by the beneficiaries of the said CSR project or a trust or a public authority for the benefits of all. The company should take appropriate measure to ensure that such assets are utilized for the purpose it was meant for and should not be transferred or disposed-off without prior permission of the Company.

## **13. Information dissemination**

CSR Policy and activities undertaken shall be disseminated on website for public access and shall be published in the Annual Report of the company in the format prescribed under the Act and CSR Rules.

## **14. Review and Modification**

The Board or CSR Committee, as the case may be, shall be responsible for the monitoring and review of the implementation of this policy in accordance with applicable laws from time to time. The CSR Committee, wherever applicable shall provide recommendations as and when it deems necessary to the Board so as to amend/ modify/ revise the CSR Policy.

-February 14, 2022

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