

LEAPFROG ENGINEERING SERVICES LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY



Policy Information:

Policy reference number	Policy Owner	Policy Approver	Creation date
CS/CSR/V0	Company Secretary	Board of Directors	07 th June, 2024



1. Introduction:

Leapfrog Engineering Services Limited believes in giving back to society that is proportionate to its success in business. This Policy encompasses the Company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for the welfare and sustainable development of the community at large.

The Policy and the operational guidelines issued herein are subject to and pursuant to the provisions of the Companies Act, 2013 and the rules and regulations made thereunder.

2. Effective Date:

This Policy is effective from 07th June, 2024.

3. Objective:

The Company will endeavour to formulate and implement projects / programmes such that it shall enhance value creation in the society and wider community so as to promote sustained growth, in fulfilment of its role as a socially responsible corporate.

The Company's CSR agenda aims to extend beyond charity and enhance social impact.

The Company's CSR vision is:

- i. Eradicating hunger, poverty and malnutrition
- ii. promoting healthcare including preventive health care and sanitation.
- iii. Promoting education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled.
- iii. 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.
- iv. Ensuring environmental sustainability, protection of flora and fauna, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.
- v. Promotion and development of traditional arts and handicrafts.
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents.
- vii. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- viii. Rural Development Projects.
- xi. Slum area development
- xii. Any other area as may be recommended by the CSR committee

4. Applicability:

This Policy will apply to all projects/ programmes/ activities undertaken as part of the Company's CSR obligations and will be developed, reviewed and updated periodically with reference to relevant changes in corporate governance and sustainable and innovative practices.



The Policy would be aligned with the activities listed in Schedule VII and Section 135 of CA 2013 and the Rules framed there under.

5. Definitions:

- 5.1 “Administrative overheads”** means the expenses incurred by the Company for ‘general management and administration’ of the CSR functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular CSR project or programme.
- 5.2 “Board”** means Board of Directors of the Company, as constituted from time to time.
- 5.3 “CA 2013” or “Act”** means the Companies Act, 2013 and rules made thereunder, as amended from time to time.
- 5.4 “Company”** or “Leapfrog Engineering Services Limited” or “Leapfrog”.
- 5.5 “CSR” or “Corporate Social Responsibility”** means the activities undertaken by the Company in pursuance of its statutory obligation laid down in Section 135 of CA 2013 in accordance with the provisions contained in the Rules.
- 5.6 “Committee” or “CSR Committee”** means the Corporate Social Responsibility Committee constituted by the Board of the Company from time to time as per the provisions of CA 2013.
- 5.7 “Implementing Agency”** refers to any of the following entities that have registered with the Central Government by filing eForm CSR-1 and have such other qualifications as may be prescribed in this regard and assist the Company, in undertaking its CSR activities:
- i. a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of Section 10 or registered under Section 12A and approved under Section 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company; or
 - ii. 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
 - iii. any entity established under an Act of Parliament or a State legislature; or
 - iv. a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
- 5.8 “Net profit”** means the “profit/(loss) before tax” computed as per Section 198 of the CA 2013 and as per the financial statements prepared in accordance with the applicable provisions of the CA 2013.
- 5.9 “Ongoing Project”** means a multi-year project undertaken by the Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the Board based on reasonable justification.
- 5.10 “Policy”** means this CSR Policy and is a statement containing the approach and direction given by the Board of the Company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring



of activities as well as formulation of the annual action plan.

5.11 “Rules” refers to the Companies (Corporate Social Responsibility Policy) Rules, 2014, including any statutory amendments thereof.

5.12 “Schedule VII” refers to Schedule VII of CA 2013.

Capitalised terms used in this Policy and not defined above shall have the same meaning as assigned to them under the CA 2013 or any other applicable law or guidelines.

6 Board Role:

The Board of Directors of Leapfrog will be responsible to:

- i. approve the CSR Policy and amendments thereto from time to time;
- ii. constitute a CSR Committee in accordance with the CA 2013;
- iii. approve the projects/programmes and amendments thereto, annual budget and project/programme budget on recommendation of CSR Committee;
- iv. approve Implementing Agencies wherever considered necessary to be partnered or associated with;
- v. approve Ongoing projects and re-classification of projects as ongoing projects, if necessary;
- vi. ensure that the funds disbursed for the CSR projects as part of the Company’s obligation for each financial year have been utilised for the purpose and in the manner allocated and approved by it, before the end of the financial year or within the permissible period in case of multi year projects;
- vii. ensure that the administrative overheads do not exceed 5 (five) percent of total CSR expenditure of the Company for the financial year or such other limit as may be prescribed under the CA 2013 and/or Rule thereunder;
- viii. Review the implementation of the ongoing projects with reference to the approved timelines and year-wise allocation;
- ix. ensuring that preference is given to the local area and areas around where the Company operates, for spending the amount allocated for CSR activities;
- x. suggest modifications, if required, for smooth implementation of the CSR projects within the overall permissible time period under the CA 2013.
- xi. make necessary disclosures in the Annual Report and the website as prescribed in the CA 2013.

The surplus arising out of the CSR activities, if any, will not be considered as a part of the business profits of the Company.

7. Role of CSR Committee:

The CSR Committee shall consist of 3 (three) or more directors, out of which one Director shall be an Independent Director. The said Committee may constitute a Sub Committee for identifying projects/programmes and spending towards CSR activities.

The Committee shall oversee the operations of the Sub Committee and shall also recommend to the Board the amount of expenditure to be incurred on CSR activities.

The roles and responsibilities of CSR Committee are as follows:

- i. Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the CA 2013.
- ii. Recommend the amount of expenditure to be incurred on CSR activities and monitor the same.
- iii. Monitor the Policy of the Company from time to time.
- iv. Approve and adopt the CSR report for publication in the annual report of the Company.



- v. Do such other things and acts as may be required for the implementation of the Policy, matters connected therewith or incidental thereto as per the Charter finalized by the Board.

The Company Secretary shall act as secretary to the Committee.

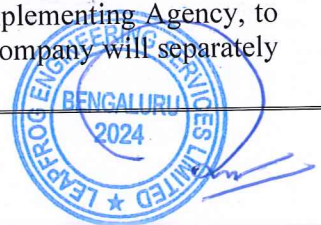
8. Formulation of Annual Action Plan:

The Committee shall formulate the annual action plan, for each financial year and recommend the same to the Board of Directors of the Company. The Committee and the Board of Directors shall adhere to the following guidelines while formulating / approving the annual action plan for each financial year:

- i. *Evaluation of CSR activities of the preceding financial year:* The achievements and drawbacks of the CSR projects / activities undertaken in the previous financial year shall be considered and the annual action plan shall be prepared accordingly.
- ii. *Identifying projects / programmes for the current financial year:* The Committee will be responsible for identifying suitable CSR initiatives which are in line with the overall objectives of the organisation.
- iii. The Committee shall endeavor to formulate and approve the annual action plan and recommend it for the Board's approval before the end of the first quarter in every financial year.
- iv. Any amendment to the annual action plan shall be recommended by the Committee and approved by the Board of Directors.

9. Funding and Allocation:

- i. For achieving its CSR objectives through implementation of meaningful and sustainable CSR programs, Leapfrog will allocate 2% of its previous three years' average net profit computed in accordance with the provisions of the CA 2013, as its Annual CSR Budget.
- ii. The Company may undertake CSR activities directly or through registered Implementing Agencies or contribute to a Fund under Schedule VII .
- iii. CSR related disbursements by the Company will be treated as spent during the financial year, only if the same have, in turn, been spent by the Company or Company's Implementing Agency wherever engaged/associated for implementing Company's CSR spend obligations.
- iv. Where the Company spends an amount in excess of its CSR obligation under the CA 2013, subject to passing of the Board resolution, such excess amount can be set-off against the CSR spends up to immediate succeeding 3 (three) financial years.
- v. Any surplus arising out of the CSR activities shall not form part of the business profit of the Company. The Company will not own or hold any capital asset created or acquired during its CSR activities.
- vi. The unspent CSR amount at the end of the financial year shall be transferred to an Unspent CSR account / Schedule VII Fund in accordance with the CA 2013 and Rules and in line with the Company's SOP.
- vii. Wherever funds disbursed by the Company remain unspent at the end of the financial year and are lying with the Implementing Agency, the Company may either request the Implementing Agency to return the same directly to its Unspent CSR Account / other bank account OR treat the same as an advance to be utilized by the Implementing Agency, to meet the spend for the next financial year. In the latter case, the Company will separately



meet its obligation to transfer the unspent funds either into an Unspent CSR Account or to a prescribed Fund.

10. Planning:

For purposes of focusing its CSR efforts in a continued and effective manner, the following thrust areas have been identified:

- i. Primary education, education, and literacy enhancement
- ii. Business aligned healthcare
- iii. Environment protection / horticulture
- iv. Infrastructure development
- v. Drinking water / sanitation Facilities in schools, particularly for girls
- vi. Scholarships to students / trainees etc.
- vii. Disaster management activities related to natural calamities.
- viii. Promotion and development of traditional arts and handicrafts.

The CSR Committee may modify, restrict or enlarge the thrust areas from time to time within the parameters fixed by CA 2013. The actual distribution of expenditure among these Thrust areas will depend upon the local needs as may be determined by the need Identification studies or discussions with local government/bodies/citizen fora/NGOs.

11. Monitoring and Reporting:

The CSR Committee shall monitor the implementation of the CSR Projects / Programmes through periodic reviews of the activities.

In compliance with the CA 2013 and to ensure funds spent on CSR programs are creating the desired impact on the ground a comprehensive monitoring and reporting framework will be put in place. The monitoring and reporting mechanisms are divided into three distinct areas:

- i. Program Monitoring
- ii. Evaluation
- iii. Reporting and Documentation

The Chief Financial Officer (CFO) / Head of Finance Department shall certify that the funds allocated for meeting the CSR obligation of the Company have been administered in the areas or projects / programmes as approved by the Board of the Company and in accordance with the CA 2013. Such certification will be based on the utilization report as received from the Implementing Agencies (wherever the CSR projects are being implemented through such agencies) and / or a certificate issued by the Implementing Agencies' Auditor or an independent Chartered Accountant.

The Committee may appoint such professionals, firms, agencies, etc., as it may deem fit, for effective monitoring / evaluation / implementation / designing of the programs and projects of the Company, including appointing an agency that would carry out an impact assessment study of the projects, if so required, under CA 2013 or deemed necessary by the Committee.

12. Website Disclosures:

This Policy will be uploaded on the website of the Company.



13. Review and Amendment:

The Board of Directors may at any time based on the recommendations of the CSR Committee, amend this Policy either pursuant to any change in law or otherwise. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions in this Policy.

14. Control Sheet:

This section is the control sheet of all the changes that have been carried out in the Policy and shall list the changes done since inception.

Change in version no.	Page no.	Section no.	Erstwhile section	New/Modified section	Reason for change

For Leapfrog Engineering Services Limited


Managing Director

