

LOTUS HERBALS PRIVATE LIMITED

**1. PURPOSE**

The Policy lays down the principles and mechanisms for undertaking various programs in accordance with Companies Act. In alignment with its objective, principles and values, for delineating its responsibility as a socially and environmentally responsible corporate citizen.

**2. OBJECTIVE**

The main objective of CSR policy is to make CSR a key business process for sustainable development of the society by:

- Ensuring an increased commitment at all levels in the organisation, to operate its business in an economically, socially & environmentally sustainable manner, while recognising the interests of its stakeholders;
- Strive for economic development that positively impacts the society at large with minimal resource footprints.

**3. COMPOSITION OF CSR COMMITTEE**

The CSR Committee of Lotus Herbals Private Limited shall be composed of at least two members of the Board of Directors. Mr. Nitin Passi and Mr. Dipin Kamal Passi. Members of the CSR Committee may be replaced by any other member of the Board.

**A. RESPONSIBILITIES OF CSR COMMITTEE**

The CSR committee would meet physically / virtually as and when required, to identify the projects under which the CSR amount would need to be spent.

**Responsibilities of CSR committee includes:**


Formulating and recommending to the Board of Directors the CSR policy and indicating activities to be undertaken specified in Schedule VII to the Act;

The CSR Committee will carry out the following functions:

- To compute and earmark funds for CSR activities taking into account net worth, turnover or the average net profit for the past 3 years. 2% of the average net profit for the previous three years is to be earmarked for CSR activities
- Recommending the budget and managing the expenditure on CSR activities;
- To release yearly donations.

For Lotus Herbals Pvt. Ltd.

  
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**Lotus Herbals Pvt. Ltd.**

Office: 2, Forest Lane, Sultanpur, (Nr. Ghitorni Metro Station) M G Road, New Delhi - 110 030. INDIA  
Tel.: +91-11-26541600 (100 Lines) · Fax: +91-11-26541670 · Email: info@lotusherbals.com  
Branch Office: B-9, Sec.-58, Noida-201301 (UP) INDIA

- To formulate and recommend an annual action plan in pursuance of CSR Policy covering the following aspects:

- (i) the list of approved CSR projects or programs to be undertaken in areas or subjects specified in Schedule VII to the Act;

- (ii) the manner of execution of such projects or programs as specified in rule 4(1) of CSR Rules;

- (iii) the modalities of utilisation of funds and implementation schedules for the projects or programs;

- (iv) monitoring and reporting mechanism for the projects or programs; and

- (v) details of need and impact assessment, if any, for the projects undertaken by the company;

- (vi) Recommend changes to the Board, if any, needed in the annual action plan with reasonable justification to that effect.

- To monitor the CSR Policy as approved by the Board from time to time. The CSR Committee should recommend the approach and direction of CSR activities to be undertaken by the company and also provide Guiding principles for

- (i) Selection of CSR projects / programmes / activities

- (ii) Implementation of CSR projects / programmes / activities

## **B. RESPONSIBILITIES OF THE BOARD**

- Approve the CSR Policy, annual action plan and the CSR Expenditure after taking into consideration the recommendations made by the CSR committee;

- Ensure the yearly CSR spending is as per and in accordance with relevant provisions of the Companies Act, 2013;

- Ensure that CSR activities included in the CSR Policy are undertaken by the Company and that such activities are related to the activities specified in the Companies Act, 2013;

Board may alter such plan based on reasonable justification as per recommendation of CSR committee

In case of on-going project - monitor the implementation of the project with reference to the approved timelines and year-wise allocation

Board approval is required when –

- (a) Company spent in excess

- (b) Company want to set off said excess amount

Chief Financial Officer or the person responsible for financial management shall certify to the Board about utilization of funds disbursed for the purposes and manner approved by the Board.

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Board of Directors Report to include:

- Contents of the CSR Policy and Composition of the CSR committee;
- An annual report on the CSR in the format prescribed by the Ministry of Corporate Affairs;
- Reasons for failure (if any) to spend required amount on CSR activities.

#### 4. FOCUS AREA/CSR ACTIVITIES

##### Focus Area:

In accordance with the requirements under the Companies Act, 2013 and the rules / regulations framed there under and circulars / clarifications issued thereunder (collectively, "Applicable Law"), Lotus CSR activities, amongst others, will focus on:

##### HEALTH:

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care" and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.
- Undertaking COVID-19 related activities.
- Contribute to medical treatment of under-privileged sections of society, needy patients etc.

##### EDUCATION:

- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.

##### SPORTS:

- Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports

##### ENVIRONMENT SUSTAINABILITY:

- Ensuring environmental sustainability, animal welfare and conservation of natural resources.

##### DISASTER MANAGEMENT:

- Disaster management, including relief, rehabilitation and reconstruction activities

Any other activity as specified in Schedule VII of the Companies Act, 2013

##### CONTRIBUTION TO THE PRIME MINISTER'S NATIONAL RELIEF FUND :

##### Modes of Implementation:

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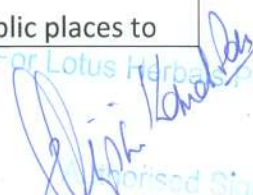


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S. No	Focus Area	Implementation Strategy
1	<b>HEALTH -- In Health care the goal will be to render quality health care facilities to people with focus on the following:</b>	<ul style="list-style-type: none"> <li>❖ To grant financial support to Establishments / Trusts / NGO's / Hospitals engaged in COVID-19 related activities.</li> <li>❖ To provide financial support (for medical treatment) to patients suffering from chronic diseases.</li> <li>❖ To Establish, maintain, manage, administer, own, run hospital, clinics, dispensaries, maternity homes, rest houses etc.</li> <li>❖ To Organize / Sponsor Health Care Camps.</li> <li>❖ To engage in activities to reduce child mortality and to improving maternal health.</li> <li>❖ To promote health care including preventive health care</li> <li>❖ to create health infrastructure and supply of oxygen concentrators, ventilators, cylinders and other medical equipment for Covid-19</li> <li>❖ To establish medical oxygen generation and storage plants</li> </ul>
2	<b>EDUCATION- In Education, the endeavor would be to spend the amount in the following category of projects</b>	<ul style="list-style-type: none"> <li>❖ Opening of, running, continuing educational and vocational schools or institutions and to bring education within the reach of poor, helpless and needy children / student(s).</li> <li>❖ Sponsoring / Imparting free education to poor, helpless and needy children / student(s).</li> <li>❖ Establishing and maintaining institution for the training to handicapped and for adult's education like vocations of household industry, semi- skilled jobs for self-employment.</li> <li>❖ Endowing research fellowships or grant financial assistance to persons or institutions engaged in educational / medical research.</li> </ul>
3	<b>SPORTS-</b>	<ul style="list-style-type: none"> <li>❖ <b>To promote / sponsor needy persons / establishments / Trusts / NGO's to enable them to excel in any of the sporting field.</b></li> <li>❖ To grant financial support to Establishments/Trusts/NGOs</li> </ul>
4	<b>ENVIRONMENT</b>	<ul style="list-style-type: none"> <li>❖ Installation of LED lights at public places to</li> </ul>

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	<b>SUSTAINABILITY, ANIMAL WELFARE ACTIVITIES &amp; CONSERVATION OF NATURAL RESOURCES</b>	<p>have a positive sustainable impact on our environment.</p> <p>❖ <b>Undertake animal welfare activities and conservation of natural resources.</b></p>
<b>5</b>	<b>DISASTER MANAGEMENT</b>	<p>❖ Disaster management, including relief, rehabilitation and reconstruction activities</p>
<b>6</b>	<b>CONTRIBUTION TO THE PRIME MINISTER'S NATIONAL RELIEF FUND</b>	<p>❖ Donation to the prime minister's national relief fund</p>

## 5. CSR BUDGET & MONITORING

In a financial year, the company shall spend on CSR Activities, as per and in accordance with the relevant provisions of the Companies Act, 2013. The company shall allocate a budget towards each of the CSR activities falling within the purview of the objectives of this CSR Policy. The CSR expenditure shall include all actual expenditures including contribution to corpus or on project or programs relating to CSR activities recommended by the CSR Committee and approved by the Board of Directors.

Whole time director/Managing Director 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 separate account in accordance with the applicable CSR Rules from time to time.

The CSR amount for Financial year 2020-21 was Rs 1,41,20,297/- .The actual CSR spend amount for Financial year 2021-22 would be reviewed after finalization of financials for FY 2020-21.

## 6. UNDERTAKING CSR ACTIVITIES

The Company will undertake its CSR activities directly or through the Lotus Foundation and/ or such other entity/organization as recommended by the CSR Committee and approved by the Board.

## 7. ANNUAL ACTION PLAN

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The CSR Committee shall formulate and recommend to the Board, 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.

## 8. NEED AND IMPACT ASSESSMENT

CSR activities undertaken should be in the interest of the society and the local population where the company operates. Before undertaking any project or activities the company shall conduct need assessment for the project and its utility in the demography where project is proposed.

After one year of completion of CSR project, the company should consider to conduct an impact assessment of the project so completed and place a report for consideration of the Board. A summary of impact assessment outcome shall be disclosed in the Board's Report.

## 9. CAPITAL ASSETS

Capital asset acquired or 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.

## 10. INFORMATION DISSEMINATION

The Company's engagement in this domain is disseminated on its website, annual reports and through the media.

## 11. MANAGEMENT COMMITMENT

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Our Board of Directors, our Management and all of our employees subscribe to the philosophy of compassionate care. We believe and act on an ethos of generosity and compassion, characterized by a willingness to build a society that works for everyone. This is the cornerstone of our CSR policy.

#### Rules and Regulation for CSR Committee and board of directors

1. The quorum of CSR committee will be at least two.
2. There should be at least one meeting in each quarter of the calendar year of the CSR committee to review the spend and evaluate pending projects undertaken under CSR.
3. The board will authenticate minutes of CSR committee on Quarterly basis i.e. once in the each Quarter.

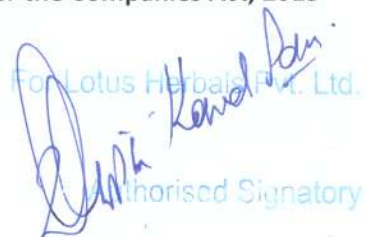
#### 12.GENERAL

- a. Any surpluses arising out of the CSR activity would not be a part of business profits of the company;
- b. Any or all provisions of the CSR Policy would be subject to revision/amendment;

**Note: -None of the provisions of this CSR policy will prevail over the Companies Act, 2013**

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**NITIN PASSI**  
**CHAIRMAN & MANAGING DIRECTOR**  
**DIN NO – 00187478**  
**A-18, ANSAL VILLAS, SATBARI**  
**NEW DELHI – 110074**

For Lotus Herbals Pvt. Ltd.  
  
Authorized Signatory

**DIPIN KAMAL PASSI**  
**JOINT MANAGING DIRECTOR**  
**DIN NO – 00187488**  
**A-18, ANSAL VILLAS, SATBARI**  
**NEW DELHI - 110074**