

Corporate Social Responsibility Policy

Purpose:

The recently passed company bill recommends companies to spend two percent of their average net profits in previous three preceding financial years towards corporate social responsibility.

Further, companies will have to give preference to local area and areas around which they operate for spending the amount earmarked for CSR activities, according to an amendment moved by the Government.

Objectives:

The vicious circle of drought and floods even with normal rains have trapped ~~millions~~ thousands of households in Tuticorin district, especially the agrarian families ~~in rural areas~~ to a state of stagnation and deprivation. It is estimated that 28.3% of Indians in rural areas are below the poverty line. We see that fertile lands are left fallow, farmers leaving the profession. Village development stagnates and does not improve in the pace and scale required. Lack of youth leaders at the grassroots impacts the holistic development in rural areas.

Goals

S.No	Goal area	Actions
1	Desilting & Maintaining canals, check dams and ponds to avoid floods and to store water.	The streams, ponds, check in our district will be delisted and maintained periodically. Provide drainage system and rehabilitate natural disaster affected victims in the rural areas.
2	Environmental Sustainability and conservation of agro-forestry.	Planting saplings and putting guards.
3	Rural sports	Select sports and give training. Provide essential sport articles Organize inter village tournament to promote communal harmony.
4	Vocational Training to Poor and Underprivileged Youth	Select poor, underprivileged or unemployed sections of urban and rural youth and provide vocational training in Domestic Appliances that may be of help in providing employment, self-employment and income generation.

5	Support to Health and Education of poor and under privileged	Provide support to any voluntary or nonprofit organization or Govt agency involved in providing Health or Education to poor & underprivileged sections of society
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The Company may at any time decide to spend on any one or more of the areas of CSR projects or programs which are mentioned in Schedule VII of the Companies Act, 2013 for its CSR activities.

Focus Area:

Venus Home Appliances (P) Ltd., will be a responsible corporate sector. Our factory is situated in Senthilampannai with several villages in the periphery. Our concentration will be attributed to water bodies & villages of our district initially and expanded to others at a later stage.

Proposed stages of the project:

<u>S.No</u>	<u>Activity</u>	<u>Need for the Activity</u>	<u>Broad based result of the activity</u>
1	Conducting baseline survey of the villages.	Although the rural developments needs could be similar across the country, a baseline survey will give a specific and updated situational analysis.	Needs assessments in key development indicators and infrastructure.
<u>2</u>	Identifying the key development needs.	Given there is a variety of social and development issues, the project will prioritize issues of specific concern to the area.	Identification of specific indicators required for developing bench-marks of qualitative and quantitative change.
<u>3</u>	Youth leadership programs.	Enhancing human values and communal harmony so that the community becomes participatory in the development process.	Identifying the youth who would be potential leaders for the development of the community.
<u>4</u>	Implementation of the project activities.	Carrying out various development activities as listed in the project.	Sustainable development.
<u>5</u>	Follow up activities for the youth leader.	Continuing the self-development activities by the youth leaders and keeping them inspired. Providing necessary support capacitating them for carrying out development work	The momentum of the development work is maintained till the youth leaders become self-inspired.

Maintenance of the water bodies as an ongoing project:

- Maintenance of the water bodies is not a one time activity. It involves
 - Understanding the flowing / draining of rain water, in silted up streams
 - Water storage /ground water recharging

- Identifying the existing/ nonexistent boundaries of water bodies
 - Obtaining necessary permission from authorities like VAO/ Tehsildar/ sub collector/ district collector
 - Movement of soil
 - Fight against encroachment
 - Repeated monitoring against encroachment
 - Creating awareness regarding not throwing garbage in to the water bodies
2. We have found out that desilting can be taken up only during dry summer months any major government activities like election have created delays in obtaining permission pushing the project to the next year.
 3. We have found out that many streams are flowing through private patta lands. Some times a single stream is crossing more than two patta lands. Obtaining the required permission/ misunderstanding with the land owners have stopped many project in the middle.

Hence it is not always easy to finish the desilting project with in the stipulated times.

Organisational mechanism and responsibilities

Since the annual CSR Commitment of the Company does not exceed Rupees 50 Lakhs, the Board of Venus Home Appliances Private Limited will discharge all the functions and responsibilities that are envisaged by Section 135 of the Companies Act, 2013 in respect of CSR activities. Hence, a Corporate Social Responsibility Committee is not constituted.

Board of Directors and its Role

(1) The Board shall formulate an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-

(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;

(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:

Provided that Board may alter such plan at any time during the financial year, based on the reasonable justification to that effect through Board decisions.

(f) 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 the company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account of Venus Home Appliances Private Limited if any, and spent in pursuance of CSR policy and Rules.

(3) Whenever the company spends an amount in excess of its CSR requirement, such excess amount may be set off against the requirement to be spend up to immediate succeeding three financial years subject to the conditions that –

- (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities,
- (ii) the Board of the company shall pass a resolution to that effect.

(4) The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by -

- (a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number; or
- (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- (c) a public authority:

Information dissemination - The Board of Directors of the Company would ensure to disclose the CSR Policy and Projects approved by the Board on their website, for public access.

Partnerships

Collaborative partnerships may be formed with the Government, the District Authorities, the village panchayats, NGOs and other like-minded stakeholders. This will help to widen the Company's reach and leverage upon the collective expertise, wisdom and experience that these partnerships bring to the table.

Budgets

A specific budget will be allocated for CSR activities and spending on CSR activities shall not be less than 2% of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of this policy and the applicable rules.

In case Company fails to spend such amount, the Board shall specify the reasons for not spending the amount.

The CSR Policy mandates that the surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company.

CSR expenditure shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board, but will not include any expenditure on any item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act 2013.

Tax treatment of CSR spent will be in accordance with the Income Tax Act as may be notified by CBDT.

Management Commitment

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, characterised by a willingness to build a society that works for everyone. This is the cornerstone of our CSR policy.

Update

The Board of the company will review the CSR policy from time to time based on the changing needs and aspirations of the target beneficiaries and make suitable modifications as may be necessary.

Compliance with Companies Act, 2013

Our Corporate Social Responsibility policy conforms to the Section 135 of the Companies Act, 2013 on Corporate Social Responsibility as spelt out by the Ministry of Corporate Affairs, Government of India.

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