

# **VENTURA TEXTILES LIMITED**

## **CORPORATE SOCIAL RESPONSIBILITY POLICY**



## **Philosophy and Vision:**

Corporate Social Responsibility” (CSR) is a way of conducting business, by which corporate entities visibly contribute to the social good. The essence of CSR is to integrate economic, environmental and social objectives with the company’s operations and growth. CSR is the process by which organizations think about and evolve its relationships with society for the common good and demonstrate its commitment by giving back to the society for the resources it used to flourish by adoption of appropriate business processes and strategies.

In its endeavors to mutually achieve the said objectives, the companies Act 2013 stipulates the provisions regarding mandatory adherence to the Corporate Social Responsibility Practices by the prescribed companies.

## **Definitions:**

- (A) Act: The Act means Companies Act, 2013.
- (B) Corporate Social Responsibility: It means Corporate Social Responsibility (CSR) as prescribed under Section 135 of the Companies Act, 2013.

“Corporate Social Responsibility (CSR)”: It means activities undertaken by a company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely:-

i) Activities undertaken in pursuance of normal course of business of the company:

Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that-

- a) Such research and development activities shall be carried out in collaboration with any of the institutes or organizations mentioned in

item (ix) of Schedule VII to the Act.

b) Details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;

ii) Any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;

iii) Contribution of any amount directly or indirectly to any political Party under section 182 of the Act.

iv) Activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);

v) Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;

vi) Activities carried out for fulfilment of any other statutory obligations under any law in force in India;

(C) CSR Committee: It means the CSR Committee of the Board of Directors formed under section 135 of the Act

(D) CSR Policy: means a statement containing the approach and direction given by the board of a 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.

(E) "International Organization": means an organization notified by the Central Government as an international organization under section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), to which the provisions of the Schedule to the said Act apply;

(F) Net profit: means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely-

i) Any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and

ii) Any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act:

Provided that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381, read with section 198 of the Act;

(G) "Section" means a section of the Act.

**Constitution, Composition and activities of Corporate Social Responsibility Committee:**

■ The CSR initiatives / activities of the Company will be identified and initiated by the CSR Committee comprising of 3(three) or more members out of which at least one director shall be an independent director.

■ The members of the CSR Committee shall elect one of them as the Chairman of the Committee. The CSR Committee shall recommend to the Board the amount of expenditure to be incurred by the Company on CSR activities and the Board will ensure that the activities as are included in the CSR Policy are undertaken by the Company subject to and in accordance the provisions of section 135 of the Companies Act, 2013.

■ The composition of CSR Committee shall be disclosed in the Board's report.

■ The CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-

- a) The list of CSR projects or programs 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 programs as specified in sub-rule (1) of rule 4;
- c) The modalities of utilization of funds and implementation schedules for the projects or programs;
- d) Monitoring and reporting mechanism for the projects or programs; 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, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

## **CSR activities:**

The Company may undertake any of the following activities as its CSR activities:

- a) Eradicating hunger, poverty and malnutrition, promoting health care including preventive healthcare and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available *safe* drinking water.
- b) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the different abled and livelihood enhancement projects.
- c) Promoting gender equality, empowering women, setting up homes and hotels for women and orphans, setting up old age homes, day care centers 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, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- 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 arts and handicrafts.
- f) Measures for the benefit of armed forces veterans, war widows and their dependents.
- g) training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- h) Contribution to the Prime Ministers National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- i) Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- j) Rural development projects.
- k) Slum area development
- l) Such other matters as may be prescribed under applicable statute and as may be thought fit by the CSR Committee and approved by the Board.  
The entries in the said Schedule VII must be interpreted liberally so as to

capture the essence of the subjects enumerated in the said Schedule. CSR activities should be undertaken by the companies in project / program mode [as referred in Rule 4 (1) of Companies CSR Rules, 2014]. One-off events such as marathons/ awards/ charitable contribution/ advertisement/ sponsorships of TV programs etc. would not be qualified as part of CSR expenditure.

### **CSR Expenditure:**

- 1) 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 a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- 3) Where a company spends an amount in excess of requirement provided under sub-section (5) of section 135 , such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 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, if any, in pursuance of sub-rule (2) of this rule.
  - 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 under sub-rule (2) of rule 4; or
  - b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
  - c) a public authority:

Provided that any capital asset created by a company prior to the commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, shall within a period of one hundred and eighty days from such commencement comply with the requirement of this

rule, which may be extended by a further period of not more than ninety days with the approval of the Board based on reasonable justification.

**Implementation:**

- 1) CSR activities may be initiated / implemented/ executed by the Company or through:
  - a) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
  - b) 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
  - c) any entity established under an Act of Parliament or a State legislature; or
  - d) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.
- 2) a) Every entity, covered under sub-rule (1), who intends to undertake any CSR activity, shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar, with effect from the **01st day of April 2021:**

Provided that the provisions of this sub-rule shall not affect the CSR projects or programs approved prior to the **01st day of April 2021.**

- 3) A company may engage international organizations for designing, monitoring and evaluation of the CSR projects or programs as per its CSR policy as well as for capacity building of their own personnel for CSR.
- 4) A company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR committees of respective companies are in a position to report separately on such projects or programs in accordance with these rules.

- 5) The Board of a company shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
- 6) In case of ongoing project, the Board of a Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period. ”
  - CSR Committee shall have full discretion to specify or modify the modalities of execution of CSR projects or programs and to determine implementation schedules.
  - The Company's CSR activities will give preference to the local area and areas around, where it operates, for spending the amount earmarked for CSR activities.
  - The CSR activities shall be undertaken within India.
  - The CSR projects or programs or activities that benefit only the employees of the Company and their families or activities undertaken in pursuance of normal course of business of the Company shall not be considered as CSR activities in accordance with this policy or under Section 135 of the Companies Act, 2013.

#### **Monitoring of this CSR policy:**

Compliance with this policy will be continuously monitored by the CSR Committee at its meeting(s), subject to annual review by the Board of Directors.

The Contents of this policy shall be disclosed in the Board's Report and placed on the Company's website. Compliance will be reported to stakeholders through the Company's Annual Report.

The Board shall ensure spending of allocated amount on CSR activities and report the status in its annual report, also specify the reasons of not spending of the allocated amount, if any. The members of the CSR Committee shall be appointed or removed by the Board of Directors by way of Resolution. The members of the committee shall appoint the Chairman of the Committee and in his absence any other member of the CSR Committee shall preside over the meeting(s) of the CSR Committee. Company Secretary shall be the Secretary of the CSR Committee. The minutes of CSR committee meetings shall be placed before the Board meeting.



**Transfer of unspent CSR amount:**

Until a fund is specified in Schedule VII for the purposes of subsection (5) and(6) of section 135 of the Act, the unspent CSR amount, if any, shall be transferred by the company to any fund included in schedule VII of the Act.”

**Disclosures to be made:**

The Board’s Report shall include details of CSR such as members of the committee, CSR policy, projects on which CSR shall be spent, average profits for last three years, in case company fails to spend the prescribed amount - reasons for such failure etc. Details will also be required to be displayed on the website of the Company.

**Amendments:**

The Policy is subject to review as may be necessary and in accordance with any statutory/Regulatory requirements.

