

CSR Policy

1. Background:

Venus Pipes & Tubes Limited (“VENUS”) is inspired and guided by the pioneering thoughts “*Empowering the communities around us*” of Shri. Arun AxayKumar Kothari, Managing Director of the Company. VENUS is a socially responsible corporate and has undertaken and implemented Corporate Social Responsibility (CSR) activities for the upliftment of the economically and socially disadvantaged communities and shall continue to do in future.

The prioritized areas for CSR activities of VENUS are as listed in Schedule VII of Companies Act 2013.

2. Objective of the Policy:

The objective of the CSR Policy is:

- Identification of constituencies of economically and socially disadvantaged sections of the community, for undertaking CSR activities in order to attain sustainable development and all round social improvement.
- Encouraging employees to participate in the Company’s CSR initiatives and to promote a unified and strategic approach towards CSR activities in an organized manner.
- Funding or carrying out charitable and socially responsible activities either directly or through forming a separate philanthropic association.
- Preference for undertaking CSR activities will be given for areas where the operations of the Company / any of its subsidiaries, are carried on.

3. Philosophy:

VENUS recognizes that business enterprises are economic organs of the society and draw on societal resources. VENUS further believes that a company's performance must be measured by its contribution to building not just economic but also social and environmental capital towards enhancing societal sustainability. VENUS believes that in the context of business, an enterprise possesses, beyond mere financial resources, the transformational capacity to create life-changing development models by unleashing their power of entrepreneurial vitality, innovation and creativity. In line with this belief, VENUS will continue to strive to generate livelihoods and environmental capital.

Such Corporate Social Responsibility ("CSR") projects are far more replicable, scalable and sustainable, with a significant multiplier impact on sustainable livelihood creation and environmental replenishment. These initiatives are independent of the normal conduct of VENUS's business. Programmes, projects and activities (collectively "CSR Programmes") carried out in this regard are the subject matter of this Policy.

4. Definitions:

(a) "Act" means the Companies Act, 2013 (18 of 2013);

(b) "Administrative overheads" means the expenses incurred by the company for 'general management and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;

(c) "Corporate Social Responsibility (CSR)" means the 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-

- such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;

- 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;

(d) "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act;

(e) "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;

(f) "International Organisation" means an organisation notified by the Central Government as an international organisation 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;

(g) "Net profit" means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act read with section 198 of the Act, but shall not include the following, namely: -

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

- 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.

(h) "Ongoing Project" means a multi-year project undertaken by a 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;

(i) "Public Authority" means 'Public Authority' as defined in clause (h) of section 2 of the Right to Information Act, 2005 (22 of 2005);

(j) "section" means a section of the Act.

Words and expressions used and not defined here shall have same meaning as defined under section 135 of the Companies Act, 2013 and rules made thereunder also if there is any inconsistency between the definition here provided and definitions under section 135 of the Companies Act, 2013 read with rules made thereunder definition under said section and rule thereunder shall prevail.

5. Respect for workers' rights and welfare:

VENUS shall provide a workplace environment that is safe, hygienic and humane and which upholds the dignity of our employees. VENUS shall provide all its employees with access to training and development of necessary skills for career advancement on an equal and non-discriminatory basis. VENUS shall uphold the freedom of association and the effective recognition of the right to collective bargaining of labour, an effective grievance redressal system, non-employment of child or forced labour and provide and maintain equality of opportunities without any discrimination on any grounds in recruitment and during employment period.

6. Respect for human rights:

VENUS shall respect human rights for all and avoid complicity with human rights abuses by us or by any third party.

7. Respect for Environment:

VENUS shall take proper measures to check and prevent pollution, recycle, manage and reduce waste, and management of natural resources like land and water. VENUS shall proactively respond to the challenges of climate change by adopting cleaner production methods, promoting efficient use of energy and environment friendly technologies etc.

8. Activities for social and inclusive development:

VENUS shall undertake activities for economic and social development of communities and geographical areas, particularly in the vicinity of its operations and also the operations of its subsidiary companies.

9. CSR Policy:

It is VENUS's policy:

- a. To direct VENUS's CSR Programmes, *inter alia*, towards achieving one or more of the following - enhancing environmental and natural capital; supporting rural development; promoting education; providing preventive healthcare, providing sanitation and drinking water; creating livelihoods for people, especially those from disadvantaged sections of society, in rural and urban India; preserving and promoting sports;
- b. To develop the required capability and self-reliance of beneficiaries at the grass roots, especially of women, in the belief that these are prerequisites for social and economic development;
- c. To engage in skill building and vocational training, to enhance employability and generate livelihoods for persons from disadvantaged sections of society;
- d. To pursue CSR Programmes primarily in areas that fall within the economic vicinity of the Company's operations and also the operations of its subsidiary companies, to enable close supervision and ensure maximum development impact;
- e. To carry out CSR Programmes in relevant local areas to fulfill commitments arising from requests by government/regulatory authorities and to earmark amounts of monies towards CSR activities and to spend such monies through CSR Cells of such administrative bodies of the government, through any reputed/accredited non-governmental organizations (NGOs) and/or directly by way of developmental works in the local areas around which the Company or any of its subsidiary company operates;

f. To provide equal opportunities to beneficiaries of the Company's CSR Programmes as vendors or employees on merit basis;

g. To promote sustainability in partnership with industry associations, in order to have a multiplier impact.

h. To take up any other project or programme as may be recommended / decided by the CSR Committee / Board of Directors of the Company, in line with the Schedule VII to the Companies Act 2013.

10. CSR Committee:

a. The Board of Directors of VENUS at their Meeting held on October 21, 2021 reconstituted a Committee of the Board, consisting of 3 Directors, with the nomenclature "Corporate Social Responsibility Committee" (the "**Committee**").

The Committee will act in accordance with the terms specified in Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014 as amended from time to time.

b. Committee shall be constituted with minimum three members among whom one member should be independent director; and the requisite quorum of the meeting shall not be less than 1/3 of the committee strength or two members. Provided that where a company is not required to appoint an independent director under sub-section (4) of section 149, it shall have in its Corporate Social Responsibility Committee two or more Directors. The Company Secretary, if any shall act as the secretary to the Committee. Meeting of the Committee shall be called by any member/ Secretary of the Committee. The Committee Members may attend the meetings physically or via video conference / teleconference mode.

c. The Committee shall formulate and recommend to the Board, an annual action plan in pursuance of this policy, which shall include :-

i. The list of CSR projects/programmes that are approved to be undertaken in line with Schedule VII of the Companies Act, 2013;

ii. The manner of execution of such projects/programmes;

iii. The modalities of utilization of funds and implementation schedules for projects/programmes;

iv. Monitoring and reporting mechanism for the projects/programmes;

v. Details of need and impact assessment, if any required, for projects undertaken by the company;

However, the Board may alter such plan at any time during the financial year, as per the recommendation of the Committee, based on reasonable justification to that effect.

d. The Committee shall be responsible for overseeing/ monitoring the CSR activities of the Company and report the same to the Board at least once in a year.

11. Applicable Governing Laws:

CSR Policy of the Company is governed by:

- a. Section 135 and other applicable provisions of the Companies Act, 2013; Companies (Corporate Social Responsibility Policy) Rules, 2014 and any other applicable rules, as amended from time to time, and
- b. Guidelines issued by Board of Directors of the Company from time to time.

12. Implementation:

VENUS will implement the Company's CSR Programmes either by itself 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.

The Company may engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR and the Company can also collaborate with other companies for undertaking projects or programmes 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 programmes in accordance with CSR rules.

The Board shall from time to time considering the duration of the CSR project approve such project as ongoing project. In case of on-going project progress of the project shall be presented to the Board along with the approved time line; and the Board has a power to make suitable changes in time line of the project and smooth implementation of project.

13. Governance:

1. Every year, the CSR Committee will place for the Board's approval, a CSR Plan delineating the CSR Programmes to be carried out during the financial year, Action Plan and the specified budgets thereof. The Board will consider and approve the CSR Plan with any modification that may be deemed necessary.

2. The CSR Committee will assign the task of implementation of the CSR Plan within specified budgets and timeframes to such persons or trusts, foundations, societies, bodies as it may deem fit.

3. The executive Management of the Company has sufficient leverage to take up / implement such programs / activities in line with the approved CSR policy of the Company / in line with Schedule VII to the Companies Act 2013, as amended from time to time.

4. The persons/agencies to whom the implementation is assigned will carry out such CSR Programmes as determined by the CSR Committee within the specified budgets and timeframes and report back to the CSR Committee, through the Company Secretary, if any on the progress thereon at such frequency as the CSR Committee may direct.

5. The CSR Committee shall review the implementation of the CSR Programmes and issue necessary directions from time to time to ensure orderly and efficient execution of the CSR Programmes in accordance with this Policy.

6. It shall be the responsibility of the CSR Committee to review such reports and keep the Board apprised of the status of implementation of the same.

7. At the end of every financial year, the CSR Committee will submit its report to the Board.

14. CSR Expenditure:

1. CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR Programmes undertaken in accordance with the approved CSR Plan. Moreover, 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 (if it's not related to an ongoing project as mentioned in the Act) to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

2. The Company shall spend upto 2% of the average net profit of the Company for the immediately preceding three financial years for the purpose of CSR programs / activities. Further, if company spends any excess amount then the said 2% of average net profits during any financial year such excess 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 –

a. 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; and

b. the Board of the company shall pass a resolution to that effect.

However, if the company doesn't spend the required 2% of its average net profit during any of the financial year then the same shall be transferred to the fund specified in Schedule VII of the Companies Act, 2013 within a period of six months of the expiry of the financial year unless such unspent CSR funds are attributable/ allocated towards completion of such on-going projects as approved by the Board.

Further, any such unspent CSR amount of on-going projects shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

3. Administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

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 however this period can be extended by a further period of not more than ninety days with the approval of the Board based on reasonable justification.

15. Miscellaneous:

1. An annual report on CSR shall be included in the Board's Report of the Company.

2. The composition of the CSR Committee, CSR policy and projects approved by the Board shall be mandatorily disclosed by the company on the website of the company.