



CORPORATE SOCIAL RESPONSIBILITY POLICY



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1. Policy Statement

1.1. Lotus Chocolate Company Limited ("Lotus" or the "Company") believes that Corporate Social Responsibility ("CSR") extends beyond the ambit of business and should focus on a broad portfolio of assets - human, physical, environmental and social.

1.2. This Policy is framed pursuant to Section 135 of the Companies Act, 2013.

2. CSR Vision

Promote sustainable and inclusive development as a responsible corporate citizen.

3. CSR Objective

Promote a comprehensive and integrated development through social and economic transformation.

4. Core CSR Commitments (Programs / Activities)

- Addressing identified needs of the underprivileged through initiatives directed towards:
 - improving livelihood,
 - alleviating poverty,
 - promoting education,
 - empowerment through vocational skills and
 - promoting health and well-being.
- Preserve, protect and promote art, culture and heritage by:
 - promoting India's art, culture and heritage,
 - conducting promotional and developmental activities / programs.
- Ensuring environmental sustainability, ecological balance and protection of flora and fauna
 - conducting activities which promote biodiversity,
 - conducting activities which promote ecological sustainability.
- Any other activity falling within the scope of Schedule VII of the Companies Act, 2013 which will enable Lotus to achieve its CSR objectives.

The CSR programs / activities of Lotus, as above, are related / will relate to the activities included in Schedule VII of the Companies Act, 2013.



5. CSR Reporting and Communication

Lotus will communicate its CSR Policy to all its stakeholders through its website.

6. Corporate Social Responsibility Committee (CSR Committee)

- Lotus's Board of Directors have formed a CSR Committee. This Committee will be responsible for the decision making with respect to Lotus CSR Policy.
- The CSR Committee has formulated and recommended the CSR Policy to Lotus's Board of Directors and the Board of Directors have approved this Policy.
- Lotus's Board would approve and adopt any changes in the CSR Policy subject to prevailing provisions of laws in this regard.
- The CSR Committee will meet periodically to review the implementation of CSR programs /activities of the Company.

7. The Social Responsibility initiatives of Lotus to be implemented:

- a) Directly or through Reliance Foundation, or a registered trust, society or company established by Lotus or its holding, subsidiary or associate company under section 8 of the Act, or
- b) Any other foundations, trusts, or a section 8 company (or erstwhile Section 25 company) or any other form of entity with a track record of at least three years in carrying out activities in related areas. While engaging with partners, Lotus to evaluate the credentials of the implementing entity and seek relevant documents, information and details.
- c) Lotus may also collaborate with other companies or institutions for undertaking projects or programs for CSR activities.

8. Monitoring of CSR Activities

The CSR Committee of Directors of the Company will recommend to the Board the amount of expenditure to be incurred on CSR programs/activities, monitor the CSR Policy of Lotus and review its implementation.

There will be an internal process to periodically monitor and evaluate the impact of CSR programs / activities of the Company. The CSR Committee would review the annual plans and programs for the CSR programs / activities of the Company and advise the Management accordingly. The Management will be responsible to implement the CSR Policy and report on the progress of the CSR programs /activities of the Company to the CSR Committee.



9. Budget

- The Board of Lotus shall ensure that a minimum of 2% of the average net profits of the Company of the last 3 years is spent on the CSR programs / activities of the Company, in case section 135 (1) is applicable to the Company.
- In case at least 2% of the average net profits of the Company of the last 3 years is not spent in a financial year, the Company shall inter alia disclose reasons for the same in the Board's report.
- All expenditure towards the CSR programs / activities will be diligently documented.
- Any surplus generated out of the CSR programs / activities of the Company will not be added to the normal business profits of the Company. Any amount spent in excess of its prescribed CSR expenditure during a financial year, a set-off may be claimed in compliance with the provisions of Companies Act, 2013.
