

	Global Compact Asia <u>Lotus Holdings Pvt. Ltd. Nepal</u>
Company phone: 977-1-5000071 977-1-5000273 e-mail: info@lotusholdings.com URL: www.lotusholdings.com	Exemplary practice from Nepal
From the CEO's Desk	<p>The world today seems to have become more expensive as the overwhelming population has created high demand for scarce resource such as energy, food and health, and infrastructure to name a few.</p> <p>Businesses have a strong role to play to mitigate the ongoing issues we face today. Businesses provide income to population; businesses provide innovative, efficient, economical and effective ways to increase profits – cash and social to be shared by the employees, the shareholders, stakeholders and the country at large.</p> <p>Business with good ethics can propel good change to find the answers to the hardships and problems every single human being faces in earth. Lotus Holdings believes in this, pledges that it will continue to adhere to the principles of the UN Global contact today, and the years to come to make this world a better place today, and for our children tomorrow.</p> <p>Ajit Bikram Shah CEO</p>
Company Name	Lotus Holdings Pvt. Ltd.
Reporting Period	FY 2006/2007 FY 2007/2008 FY 2008/2009 FY 2009/2010 FY 2010/2011 FY 2011/2012

<p>About the Company</p>	<p>Lotus Holdings is a venture capital enterprise looking toward business growth through mobilization of both domestic and foreign investments. It has investments in 13 companies and always adheres to the principle of social justice. Lotus Holdings started in 1998 as an investment company identifying entrepreneurs having difficulty and providing them support services in the form of finances, marketing, R&D and administration. This it does by providing or facilitating access to funds for the purpose of business start-up, growth or expansion.</p> <p><u>Vision</u></p> <p>Creation of successful business enterprises which would generate employment. It will work toward overall development of individuals directly or indirectly working with associated companies.</p> <p><u>Mission</u></p> <ol style="list-style-type: none"> 1. Identification of new business ventures. 2. Promotion of entrepreneurial ventures and aim for success, stressing on quality and business ethics. 3. Help LH associated companies achieve self-sustainability and growth. 4. Foster the spirit of corporate social responsibility (CSR) among LH associated companies and the business community at large and set up institutions working for welfare and overall development in social, educational and health. 5. Provide better employment opportunities and environment to semi-skilled and skilled manpower and work toward upgrading their skill. 6. Integration of underprivileged, particularly women and children, with new venture and to ensure economic benefits reaches all participants in a just manner.
<p>Participating Companies within Lotus Holdings</p>	<ol style="list-style-type: none"> A) Manufacturing <ol style="list-style-type: none"> 1. Formation Carpets: Handmade Export Carpet Production B) Services <ol style="list-style-type: none"> 2. Solutions Consultant: Business Consulting C) Trading <ol style="list-style-type: none"> 3. Bromed: Pharmaceuticals Trading D) Information Technology <ol style="list-style-type: none"> 1. M. Nepal!: Mobile Commerce Aggregator 2. Jawalakhel Cable Network: Cable TV Distributor 3. Everest Net: Internet Service Provider 4. Fiber Online: Cable Internet Service Provider 5. FOCUSONE: Software Development, Mobile Technology E) Business Process Outsourcing

	<ul style="list-style-type: none"> 1. Flextecs Nepal: Audit Recovery Solutions F) Real Estate G) Lotus Real Estate: Buying, Selling and Leasing, Hospitality <ul style="list-style-type: none"> 1. Himalayan Hideaway: Tented Adventure Camp H) Healthcare <ul style="list-style-type: none"> 1. CTL Pharmaceuticals: Pharmaceuticals Manufacturing 2. Blue Cross Hospital: Full Fledged General Hospital I) Finance <ul style="list-style-type: none"> 1. Gorkha Finance: Class 'C' Financial Institution J) Philanthropy <ul style="list-style-type: none"> 1. Hoste Hainse: NGO/NPO that works in the field of education
<p>Chronological Time Chart (Highlights)</p>	<p>1987 - Mushroom Business 1989 - Carpet Business 1990 - Social NGO Initiated 1991 - Trading - Export / Import 1992 - CTL Pharmaceutical, Medicine Trading 1993 - Healthcare 1994 - Real Estate Development, Leasing 1997 - Minnesota Advocates for Human Rights awarded Chairperson with the Global Human Rights Award 1998 - Carpet Company got Best CSR Company in Nepal 1999 - Information Technology, Pashimina, Paper, 2001 - First Business Incubation Center of Nepal 2002 - Business Consultancy 2003 - UN ITC Showcase for success stories 2006 - Recognition from Global Compact as CSR Best Practice 2007 - Chairperson won Himani Trust Award for Social Enterprise 2008 - Healthcare Diagnostic 2010 - Financial Institution 2012 - Agent of Change Award</p>
<p>Project Duration</p>	<p>From 1987</p>
<p>Background / Abstract</p>	<p>Lotus Holdings (LH) was founded in 1996 by Mrs. Sulo Shrestha Shah, a Nepali woman entrepreneur. At inception, LH's aim was to provide incubation and support to its sister companies to promote responsible and ethical business practices. LH ensures outstanding quality of the products and services of its sister companies while ensuring sound working environment for all its employees.</p> <p>Realizing the immense opportunity in the fast growing sector, LH has brought forward venture investment. LH believes this form of investment in small scale industries would be beneficial for entrepreneurial development. The basic modality is to create an investment fund from interested shareholders. LH will ensure proper management of the investments through well defined reporting and consultative meeting structures.</p>

	<p><u>Core Values</u></p> <ol style="list-style-type: none"> 1. Capacity Building 2. Institutionalization of companies 3. Professionalism 4. Transparency 5. Social accountability 6. Information dissemination
<p>Initiative</p>	<p>Lotus Holdings (LH) with a diversified investment portfolio, is also an incubation specialist. LH is involved with entrepreneurs / producers who have difficulty in their area of business and has inclination towards the concept of CSR. It is the philosophy of LH to be the backstopping instrument to such people/organisations by helping them in their revival and restructuring, or opening new companies if necessary, and also providing investment where required. Lotus Holdings looks forward to maintain its growth strategy to accelerate its current development rate.</p> <p>Reporting system: A quarterly monitoring involves inspection of workplace inspection and interaction with employees.</p> <p>Health Insurance: All LH staff are insured with up to Rs. 50,000 per year for Out Patient Services, Rs. 10,000.00 per year for medicine services and Rs. 100,000 per year for hospitalization service.</p> <p>Hygienic Canteen: A subsidized canteen at company premises provides healthy food and drinks.</p> <ul style="list-style-type: none"> • Provident Fund for permanent employees. • 10% of company's net profit goes to employees as bonus. • Allowance for Dashain, Nepal's biggest festival. • Flexible leave facility on par with Nepal's Labour Act. • Maintained salary structure as per staffs qualification and dedication. • Provided consultancy service to Hoste Hainse, NGO working to eliminate child labor through education.
<p>Challenges</p>	<p>The instability of the government and the failure to draft the new constitution after the end of the monarchy has been causing a general slowdown in Nepal's economy. The challenge is increased by the ever growing double digit inflation and the global economic crisis that has significantly decreased export sales throughout the country. With such problems, increase in CSR activities have been limited, but Lotus Holdings has not decreased its ongoing CSR activities to cut costs.</p>

<p>Impacts and Benefits</p>	<p>Due to the initiatives undertaken by the organization, it is now a more responsible organization geared towards not only raising its productivity but also contributing to the society through local Corporate Social Responsibility (CSR) initiatives. Staff morale has heightened and the company's productivity has increased. The image of the company, a leader in adopting CSR in the country, has improved noticeably.</p>
<p>Future Plan</p>	<p>The organization will continue to raise awareness, enhance skills and knowledge of its employees. Our previous strategy to establish an investment fund has been realized. Lotus Holdings is now even aggressively looking for opportunities into new sectors to invest.</p> <p>Pursuing a dream of a self-reliant, socially and economically developed society, Lotus Holdings believes in business with ethics. This has been the driving force behind the company and as it continues to grow into this millennium, it will remain in the business of helping people achieve these dreams.</p>