



CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

**SHAILY ENGINEERING PLASTICS LIMITED
SURVEY # 364 /366, RANIA, TA- SAVLI
DIS- VADODARA-391780
CIN- L51900GJ1980PLC065554**

The Board of Directors (Board) of Shaily Engineering Plastics Limited (SEPL) acting upon the recommendation of its Directors and the Corporate Social Responsibility Committee (Committee) has adopted the following policy and procedures with regard to the Company's Social Responsibility. This policy is revised from time to time, updated in accordance with Companies (Corporate Social Responsibility) Rules, 2014 (CSR Policy Rules) as amended from time to time.

"CSR Policy" shall mean 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. The purpose of the policy is to make clear to all stakeholders what we mean by CSR and how we propose to work towards achieving it. The CSR policy applies throughout all of the Procurement Service and governs our approach to all our activities.

The Policy provides guiding principles for carrying out Corporate Social Responsibility (CSR) activities by the Company and also provides procedure for execution, implementation and monitoring the CSR activities to be undertaken by the Company.

All the terms described in the Policy shall have the same meaning as defined in the Companies Act, 2013 and rules made thereunder notified and modified from time to time by the Ministry of Corporate Affairs (MCA).

This CSR policy of the Company is being hosted on the website of the Company. Our Corporate Social Responsibility policy conforms to the Corporate Social Responsibility as prescribed under the Companies Act, 2013 and rules framed thereunder.

CSR Projects and Programmes that are to be undertaken

The Company may undertake any one or more of the following activities/ projects or such other activities/ projects as may be notified by the Ministry of Corporate Affairs (MCA) from time to time as a part of the Corporate Social Responsibility (CSR):

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.
- (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- (iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- (iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, 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].

- (v) 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 art and handicrafts;
- (vi) measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows];
- (vii) training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports
- (viii) contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- (ix) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and
- (x) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).]
- (xi) rural development projects
- (xii) slum area development.

Explanation.- For the purposes of this item, the term `slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.]

- (xii) disaster management, including relief, rehabilitation and reconstruction activities

The CSR Activities shall not include the following :

- (i) activities undertaken in pursuance of normal course of business of the company:
- (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;

Implementation of CSR Activities

CSR Activities may be undertaken by the Company 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 collaborate with other companies for undertaking the CSR activities subject to fulfillment of separate reporting requirements as prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the “Rules”).

CSR Annual Action Plan (CAAP)

- i. The CSR Committee shall formulate and recommend to the Board of Directors, a CAAP in pursuance of this Policy, which shall include focus areas for the year, the list of projects to be undertaken, modalities of execution, fund utilization, implementation schedule, monitoring and reporting mechanism, details of need of impact assessment, if any, for the projects undertaken by the Company, etc.
- ii. The Board of Directors may approve CAAP with such further conditions as it deems fit and further alter CAAP at any time during the financial year, as per the recommendation of the CSR Committee, based on the reasonable justification to that effect.
- iii. The Board after considering recommendation made by the committee may give its approval with or without modification as it deemed fit.
- iv. The Committee shall submit the yearly report to the Board, giving status of the CSR activities undertaken, Expenditure Incurred and such other details as may be required by the Board.

Procedural aspects for CSR Activities

- i. The Committee shall recommend the Board suitable CSR Activities to be undertaken during the financial year along with the CSR Annual Action Plan (“CAAP”) Plan,

modalities of execution, implementation schedule, monitoring process and amount to be incurred on such activities;

- ii. The Board after considering recommendation made by the committee may give its approval with or without modification as it deemed fit.
- iii. The Committee shall submit the yearly report to the Board, giving status of the CSR activities undertaken, Expenditure Incurred and such other details as may be required by the Board.

The company may engage international organizations 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.

- iv. The Board shall satisfy itself that the funds so disbursed have been utilised 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.
- v. 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."

"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;

"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;

Quantum of Amount to be spent on CSR Activities

The Company shall strive to spend in every financial year at least 2% (two percent) of the average net profits of the Company made during the three immediately preceding financial years. Further, any surplus arising and/or additional revenue generated out of CSR activities undertaken by the Company shall not form part of the business profit of the Company and same shall be spent for undertaking any CSR activities only.

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 such sums as may be prescribed, and shall be calculated in accordance with the provisions of section 198 of the Companies Act, 2013.

Monitoring Process

- i. The Committee shall monitor the above projects, programs, execution and implementation of the same from time to time and report the same to the Board of Directors on a periodical basis.
- ii. The Committee shall on completion of every Financial Year, submit to the Board, details of the CSR spent during the Financial Year and reasons for the actual spent being less than the limits prescribed by the law, if any.
- iii. The report on CSR shall form part of Directors Report of the Company.

- iv. The Committee shall recommend changes/editions to be carried out in the policy to the Board from time to time.

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 CAAP 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 of the Companies Act, 2013 (the Act), such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 of the Act 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 of CSR Policy Rules; 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.

Dissemination of Information

- i. The Company shall disclose composition of CSR Committee, CSR Policy and projects approved by the Board on its website.
- ii. CSR initiatives of the Company will also be reported in the Annual Report of the Company.

Transfer of unspent CSR Amount

Any CSR amount to be spent during a Financial Year (FY) remains unspent pursuant to any ongoing project, fulfilling such conditions as may be prescribed in the Act read with CSR Policy Rules made thereunder, undertaken by a company in pursuance of its CSR Policy, shall be transferred by the company within a period of 30 (thirty) days from the end of the FY to a special account, to be opened by the Company in that behalf for that FY, in any scheduled bank to be called the 'Unspent CSR Account', and such amount shall be spent by the Company towards its CSR obligation in accordance with its CSR Policy within a period of 3 FYs from the date of such transfer, failing which, the Company shall transfer the same to a Fund specified in Schedule VII of the Act, within a period of 30 (thirty) days from the date of completion of the 3rd FY.

If there is any unspent CSR Amount as on end of FY and the same is not related to any ongoing project of CSR, the same shall be transferred to any of the Fund(s) included in

Schedule VII of the Act (until a specific Fund is designated for such purpose), within a period of 6 (six) months of expiry of such FY.

General

- Words and expressions used but not defined in this Policy shall have the same meaning assigned to them in the Companies Act, 2013, the CSR Policy Rules made thereunder or in any amendment thereto. This Policy shall also be subject to such clarifications and FAQs as may be issued by MCA from time to time.
- Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued from the Government, from time to time.