



PAINTS

SHEENLAC PAINTS LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR)
POLICY

(Formulated by CSR Committee and approved by the Board of Directors)

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*"If the only prayer you ever say in your entire life is thank you, it will be enough."
-Meister Eckhart*

1. PHILOSOPHY

We, **Sheenlac Paints Limited** being a Manufacturer of Thinners and Wood Polish and having the presence as a Paint Industry, firmly believe in giving back to the society, constructively and consistently for the resources taken by us from the society. We believe in the Trusteeship concept and hence have marked ourselves as trustees of the society with respect to the prospective environmental, social and educational developments of the society. Though Corporate Social Responsibility (CSR) Committee hasn't been constituted formally in the yesteryears, due to the belief we had in **giving back to the society**, we have been engaging ourselves in various social development activities including educational and environmental development activities, helping the farmers, promoting agriculture etc.

This CSR Policy is formulated in accordance with the provisions of Section 135 of the Companies Act, 2013 and the Rules made thereunder and the other laws that are applicable to the Company.

2. DEFINITIONS

- 2.1 "**Act**" means the Companies Act, 2013.
- 2.2 "**Board of Directors**" or "**Board**" means the collective body of the Board of Directors of the Company.
- 2.3 "**Company**" means "Sheenlac Paints Limited".
- 2.4 "**CSR Committee**" means Corporate Social Responsibility Committee constituted by the Board of Directors of the Company.
- 2.5 "**CSR Policy**" means CSR Policy of "Sheenlac Paints Limited"
- 2.6 "**CSR Rules**" means the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.
- 2.7 "**CSR Activity**" means any Activity or Project or Programme undertaken in pursuance of this Policy and Schedule VII to the Companies Act, 2013.

Any terms used in this policy but not defined herein shall have the same meaning assigned to them under the Act and CSR Rules as applicable to the company.

3. VISION

"To build an Environmentally, Educationally and Healthily sound society and strive for its Well-being and Sustainable Development through Responsible Business Conduct."

4. OBJECTIVES

Sheenlac Paints Limited's CSR Policy intends to:

- ✓ Strive for the Educational Development of the society to which we belong;
- ✓ Improve Employability of the work force by providing requisite skill sets;
- ✓ Strive for the Healthy Society and Physical Well-being of the Community;

- ✓ Promote Environmental Sustainability, Ecological Balance and Agroforestry;
- ✓ Embrace Responsibility for the Company's actions.

5. FOCUS AREAS

In accordance with the Companies Act, 2013 and the Rules framed there under and Schedule VII under the Companies Act, 2013, CSR Activities in focus include:

5.1 Education

To promote Education including special education and employment enhancing vocational skills especially among children, women, elderly and differently abled and to support the needy in this regard by whatever means possible and to formulate projects to promote such education and to encourage the stakeholders of the Company to work for the same and to take up livelihood enhancement projects pertaining to such education.

5.2 Gender Equality and Women Empowerment

To promote gender equality and women empowerment in all areas including education, employment, entrepreneurship, etc., 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 to undertake such other activities and measures for reducing inequalities faced by socially and economically backward groups.

5.3 Environment

To work for ensuring Environmental Sustainability, ecological balance, animal welfare, agroforestry, pollution free environments, conservation of natural resources, protecting the quality of soil, air and water and protection of flora and fauna by educating and propagating the public through awareness programs and carrying out projects/activities in support of the same.

5.4 Hunger, Poverty and Malnutrition

To eradicate hunger, poverty and malnutrition from the society by formulating and taking up projects and proposals concerned with such eradication.

5.5 Contribution to Funds

To contribute generously to the Prime Minister's National Relief Fund, Swachh Bharat Kosh 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.

To contribute to the State Government Funds eligible to receive CSR contribution as notified by the Central Government and to such other Funds prescribed under Schedule VII to the Companies Act, 2013.

5.6 Rural Development Projects

To strengthen rural areas by improving accessibility, providing sanitation, drinking water, power and such other facilities that would increase the livelihood of the people residing in such areas by formulating and implementing projects in this regard.

5.7 Healthcare

To promote Health Care including preventive health care and sanitation by formulating and executing projects relating to cleanliness and health care, to provide and support financially and otherwise for medical care and treatment to the poor and the needy and to strive for the healthy society by supporting the health care projects and making available safe drinking water.

5.8 Disaster Management

To contribute by all means to overcome any natural disasters or national disasters or pandemic situations or such other situations announced as National Disaster by the Central Government and to carry out relief, rehabilitation and reconstruction activities.

Though priority be given to the Focus areas specified above, however, the spending may be carried out in any other activities specified in Schedule VII to the Act or in such other areas, if any, as may be prescribed/notified from time to time.

6. GUIDING PRINCIPLES

This Policy lays down the Guiding Principles towards the following in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time. These Principles are to be followed while selecting, implementing and monitoring CSR Activities.

i. Selection of CSR Activities / Projects:

The selection of CSR Activities / Projects shall be based on the following Guiding Principles:

- ❖ The Activities / Projects selected for the purpose of CSR shall be those activities within the purview of this Policy and Schedule VII to the Companies Act, 2013.
- ❖ Preference shall be given to the local area and the areas around the places from where the Company operates.
- ❖ The spending in each selected activity shall be apportioned in such a way that an adequate positive impact has arisen out of such activity undertaken.
- ❖ Selection of any Activities / Projects shall be made with due care by the Committee and recommended to the Board.

ii. Implementation of CSR Activities / Projects:

- ❖ The selected activity shall be undertaken directly by the Company or through any Implementing Agency depending upon the nature and requirement of such activity.
- ❖ The Implementing Agency shall satisfy the requirements given under Rule 4 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended.

- ❖ The Implementing Agency shall be selected after ensuring its track record and conducting due diligence.

iii. Monitoring of CSR Activities / Projects:

- ❖ The CSR Activities shall be monitored by the CSR Committee or by the person(s) authorized by the CSR Committee Chairman at such intervals as specified in the Annual Action Plan depending upon the requirement.
- ❖ The frequency of monitoring of the spending, site visits, the collection of evidences as to the progress of the project etc. if required, shall be given in the Annual Action Plan.
- ❖ The same shall be reviewed by the Committee whenever it meets and the summary shall be recommended for the Board's Review.
- ❖ The Chief Financial Officer or the person responsible for financial management shall issue the certificate to the Board every year certifying that the funds disbursed are utilized for the purpose and in the manner as approved by the Board.

iv. Formulation of Annual Action Plan:

The Plan shall be formulated by the Committee for each Financial Year and recommended to the Board.

- ❖ The list of CSR Projects/Activities that are approved and to be undertaken by the Company in areas or subjects specified in Schedule VII of the Act.
- ❖ The manner of execution of such projects or programmes as specified in Sub-rule (1) of Rule 4.
- ❖ The modalities of utilisation of funds and implementation schedules for the projects or programmes;
- ❖ Monitoring and reporting mechanism for the projects or programmes;
- ❖ Details of need and impact assessment, if any, for the projects undertaken by the Company.

7. CSR SURPLUS AND EXPENDITURE

The surplus arising out of CSR projects or programs or activities shall not form part of the business profit of the Company and hence-

- i. Shall be ploughed back into the same project (or)
- ii. Shall be transferred to the Unspent CSR Account and spent in pursuance of the CSR Policy and Annual Action Plan (or)
- iii. Shall be transferred to the Fund specified in Schedule VII within the prescribed period.

The Administrative Overheads shall not exceed 5% of total CSR Expenditure of the Company for the financial year.

Any amount spent in excess of the requirement provided under Section 135(5), may be set off against the requirement to spend up to immediately 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;
- ii. The Board shall pass a resolution to that effect on the recommendation made by the CSR Committee.

8. REPORTING

The following Disclosures/Reporting shall be ensured by the Committee and the Board of Directors:

- i. Composition of the CSR Committee shall be disclosed in the Board's Report as required under Section 135(2) and shall include an Annual Report on CSR containing the particulars specified in the prescribed format.
- ii. Following details shall be displayed on the website of the Company for public access:
 - a. Composition of the CSR Committee;
 - b. CSR Policy; and
 - c. Projects approved by the Board.

9. MANAGEMENT COMMITMENT

Our Board of Directors, Our Management and our Employees believe in collective effort. Hence we are committed towards achievement of building a well-educated and environmentally sound society for which assurance is given through this policy document.

10. REVIEW

This policy shall be reviewed by the CSR Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modifications on the policy as recommended by the Committee would be given for the approval of the Board of Directors.

This new Policy is effective from 27th September, 2021.