

STELLA INDUSTRIES LIMITED

CIN : U29299DL1983PLC017102

CORPORATE SOCIAL
RESPONSIBILITY POLICY

PREAMBLE

India is one of the largest growing economies in the world. However, it continues to be deluged with various problems and challenges of poverty, health hazards, environmental degradation, illiteracy, poor educational standards, inadequate infrastructure, power crisis, gender bias and the largest number of undernourished children as well as uneven distribution of wealth which many believe, is the root cause of social unrest.

The concept and need for Corporate Social Responsibility (CSR) has gained prominence from all avenues. The Government as well as regulators has framed various guidelines pertaining to responsibilities of business as well as the mandatory Corporate Social Responsibility provisions under the Companies Act, 2013.

It is recognized that integrating social, environmental and ethical responsibilities into the governance of businesses ensures their long term success, competitiveness and sustainability. This approach also reaffirms the view that businesses are an integral part of society, and have a critical and active role to play in the sustenance and improvement of healthy ecosystems, in fostering social inclusiveness and equity, and in upholding the essentials of ethical practices and good governance.

Stella Industries Limited.(SIL), believes that in alignment with its the vision, SIL through its CSR initiatives will continue to enhance value and promote social sustainability, sustainable development of the environment and social welfare of the people and society at large, more specifically for the deprived and underprivileged persons.

SHORT TITLE & APPLICABILITY

This policy, which encompasses SIL's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large, is termed as the "SIL CSR Policy".

VISION STATEMENT

In alignment with the vision of the Company, SIL, through its CSR initiatives, strives to create value in the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote sustained growth for the society and community.

OBJECTIVE

The main objective of the Policy is to establish and lay down the basic principles and the general framework of action for SIL to undertake and fulfill its corporate social responsibility. The Policy will function as a built-in, self regulating mechanism whereby the business will monitor and ensure its active compliance with the spirit of law, ethical standards and requisite norms.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee shall consist of three Directors amongst which one shall be an Independent Director.

The Committee shall hold meetings as and when required, to discuss various issues on implementation of the CSR Policy of SIL. The CSR Committee shall:

(a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by SIL as specified in Schedule VII of the Companies Act 2013 (the Act);

(b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a) in a financial year;

(c) Monitor the Corporate Social Responsibility Policy of SIL from time to time.

(d) Any other matter as may be considered expedient in furtherance of and to comply with the CSR Policy of SIL.

The Board of Directors on its meeting held on 22.09.2022 constitute CSR Committee and following are the members of this committee:-

1. Ms. Richa Sharma :- Chairman
2. Mr. Rishheb Wassan :- Member
3. Mr. Rohit Wassan :- Member

CSR ACTIVITIES

SIL shall identify any one or more of the following areas for its CSR activities:

- Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;
- Promotion of education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- Promotion of gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water;
- 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 arts and handicrafts;
- Measures for the benefit of armed forces veterans, war windows and their dependents; Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Schedules Castes, the Scheduled Tribes, other backward classes, minorities and women;
- Contributions or funds provided to technology incubators located within academic

institutions which are approved by the Central Government Rural development projects. Slum area development.

- Such other activities as the Board may consider to be appropriate

Preference shall be given to local area and areas around SIL for spending the amount earmarked for CSR.

The Board of Directors shall, after taking into account the recommendations made by the CSR committee, approve the CSR policy for SIL and disclose its contents in their report and also publish the details on SIL's website, if any, in such manner laid down in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Board of Directors shall ensure that SIL spends at least 2% of the average net profits of SIL made during the 3 immediately preceding financial years in pursuance of its CSR Policy.

The Board of Directors may decide to undertake its CSR activities recommended by the CSR Committee, through a registered Trust or a registered society which shall have an established track record of three years in undertaking similar programs or projects; SIL shall specify the project or programs to be undertaken through these entities, modalities of utilization of funds on such projects and programmes and the monitoring and reporting mechanism.

CSR EXPENDITURE

For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, SIL will allocate 2% of its average net profits made during the 3 immediately preceding financial years as its Annual CSR Budget.

The Annual CSR Budget shall be spent on activities laid down as under mentioned. CSR projects or programs or activities undertaken in India only shall amount to CSR Expenditure.

Any unspent/unutilised CSR allocation of a particular year, will be carried forward to the following year, that is, the CSE Budget will be non-lapsable in nature. CSR expenditure shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on an item not in conformity with the CSR Policy.

EXCLUSIONS

The CSR activities shall be undertaken by SIL, (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.

Any Contribution of any amount directly or indirectly to any political party under section 182 of the Act, by SIL shall not be considered as CSR activity.

The CSR projects or programs or activities that benefit only the employees of SIL and

their families shall not be considered as CSR activities in accordance with section 135 of the Act. Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of SIL.

IMPLEMENTATION

CSR programmes will be undertaken at various locations by SIL to the best possible extent within the defined ambit of the identified Project/ Program. The time period/duration over which a particular programme will be spread, will depend on its nature, extent of coverage and the intended impact of the programme.

By and large, it may be ensured that the CSR programmes shall be executed in and around the areas adjoining Company's workplace and factories/ Project sites/ work centers.

POWERS FOR APPROVAL

CSR programmes as may be identified by Company/corporate office will be required to be put up to the CSR Committee of the Board at the beginning of each financial year.

MONITORING AND FEEDBACK

To ensure effective implementation of the CSR programmes undertaken by the Company, a monitoring mechanism will be put in place by the Company head. The progress of CSR programmes under implementation at work will be reported to corporate office on a monthly/quarterly basis. The CSR Committee at the corporate office will conduct impact studies on a periodic basis, through independent professional third parties/professional institutions, especially on the strategic and high value programmes.

Company will also try to obtain feedback from beneficiaries about the programmes. Appropriate documentation of SIL's CSR Policy, annual CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis.

CSR initiatives of SIL will be reported in the Annual Report of SIL & the Board's Report in compliance with Section 135 and rules made there under.

GENERAL

In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to CSR Committee. In all such matters, the interpretation & decision of the Committee shall be final.

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 Government, from time to time.

SIL reserves the right to modify, add, or amend any of these Policy Rules/Guidelines