



Shellz India Limited

POLICY ON CORPORATE SOCIAL RESPONSIBILITY

(Adopted by Board of Directors in its meeting held on 10th November, 2025 and Effective from the same)



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Shellz India Ltd.

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Table of Contents

Sr. No.	Particulars	Page No.
1	Introduction	3
2	Scope	3
3	Definitions	3-4
4	CSR Activities	4-5
5	Project selection and implementation	5-6
6	Annual Action Plan	6
7	Reporting and monitoring	7
8	Governance Structure	7
9	Role of the CSR committee with respect to undertaking the CSR activities	7-8
10	Role of the board with respect to undertaking the CSR activities	8
11	CSR Spending	9
12	Surplus of CSR Projects	9
13	Disclosures	9



1. INTRODUCTION

Shellz India Limited stands committed to the social and economic development of the communities in which it operates. The company's commitment towards this includes contributing to Institutions which are engaged in activities aligned to the activities forming part of its CSR policies.

This policy lays down the guidelines and mechanism for undertaking socially useful programs for welfare and sustainable development of the community at large. The Company's CSR policy has been framed in accordance with Section 135 of the Companies Act, 2013 and the rules framed thereunder. This Policy covers all the internal dimensions of the CSR structure and further captures and sets out the process of implementation of the CSR related activities.

2. SCOPE

This policy shall apply to all the CSR projects undertaken by the Company, whether such project is executed in collaboration with any other Company or on its own.

3. DEFINITIONS

- a) "Act" means Companies Act, 2013 including any Statutory modification or re-enactment thereof;
- b) "Administrative overheads" means the expenses incurred by the company for 'general management and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;
- c) "Board" means Board of Directors of the Shellz India Limited
- d) "Corporate Social Responsibility (CSR)" means the activities undertaken by the Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in the CSR Rules, but shall not include the following, namely:

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

Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business may undertake research and development activity of new vaccine, drugs and medical devices related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that

- (a) such research and development activities shall be carried out in collaboration with any of the institutes or organizations mentioned in item (ix) of Schedule VII to the Act;
- (b) details of such activity shall be disclosed separately in the Annual report on CSR included in the Board's Report;
- (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;



- e) **“CSR Committee”** means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act;
- f) **“CSR Policy”** means 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;
- g) **“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;
- h) **“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 the following, namely: –
- (i) any profit arising from any overseas branch or branches of the company, whether operated as a separate company or otherwise; and
 - (ii) any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act;

Provided that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381, read with section 198 of the Act;

- i) **“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;
- j) **“Public Authority”** means ‘Public Authority’ as defined in clause (h) of section 2 of the Right to Information Act, 2005 (22 of 2005);

Words and expressions used and not defined in these rules but defined in the Act shall have the same meanings respectively assigned to them in the Act.

4. CSR ACTIVITIES

The Company may undertake / fund projects, programs or activities of the following nature and also undertake such other activities as may be approved by the Board as per Schedule VII of the Companies Act, 2013.

- 4.1 Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water and dwelling units for poor.
- 4.2 promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- 4.3 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;
- 4.4 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 setup by the Central Government for rejuvenation of river Ganga;

- 4.5 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;
- 4.6 measure for the benefit of armed force veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- 4.7 training to promote rural sports, nationally recognized sports, Paralympic sports and Olympics sports;
- 4.8 contribution to the Prime Minister's National Relief Fund or Prime Minister's Central Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Schedule Tribes, other backward classes, minorities and women;
- 4.9 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
- 4.10 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).
- 4.11 Rural development projects;
- 4.12 Slum area development;
- 4.13 disaster management, including relief, rehabilitation and reconstruction activities.

5. PROJECT SELECTION AND IMPLEMENTATION

5.1 Project Selection

Projects shall be selected on the basis of need identification studies, internal need assessment or receipt of proposals. Projects shall be evaluated against goals and milestones defined for the project together with the implementing agency (if any).

5.2 Project Implementation

5.2.1 The shall ensure that the CSR Activities are undertaken by the Company itself or through any of the following implementing agencies;

- 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, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80 G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

5.2.2 The implementation modalities may be modified from time to time.

5.2.3 The Company may also engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per this CSR policy as well as for capacity building of its own personnel for CSR.

5.2.4 All projects will have Key Performance Indicators (KPIs) to measure progress toward those goals and objectives set at the time of project definition. Based on the nature of the project, the KPIs will be defined and measured across various stages such as Inputs, Outputs, Outcome and Impact.

5.2.5 The project may define the beneficiary group as per the goal and the needs assessment / baseline study.

5.2.6 The Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR Committees of respective companies (wherever Committees are being constituted as per the provisions of the Act read with CSR Rules) are in a position to report separately on such projects or programmes in accordance with the CSR Rules.

5.2.7 The annual action plan of the Company would include the manner of execution of CSR projects or programmes to be undertaken by the Company and the modalities of utilisation of funds and implementation schedules for the projects or programmes.

5.3 Partner Qualification and Due Diligence

If Company enrolling an implementation agency, Company shall undertake measures to ensure that projects are awarded to certified implementation agencies, be its vocational training institutes, registered trusts, societies, or Section 8 Companies operating in India. The Company shall ensure that the implementation agencies have a clearly explained mission/vision and an established track record of three years in undertaking similar projects or programs. They should be able to produce their latest audit, annual reports, and registration forms according to Section 80G/12A. Potential partner NGOs will undergo comprehensive due diligence and will be checked to ensure that they fulfill the criteria listed in Section 135 read with CSR Rules.

6. ANNUAL ACTION PLAN

The Board shall formulate, an annual action plan which shall include the following:

- a) the list of CSR projects or programmes that are approved and to be undertaken by the company
- b) the manner of execution of such projects or programmes
- c) modalities of utilisation of funds and implementation schedules for the projects or programmes;
- d) monitoring and reporting mechanism for the projects or programmes; and
- e) details of need and impact assessment, if any, for the projects undertaken by the company.

The Board of Directors are empowered to alter the annual action plan during the financial year, based on the reasonable justification for such change.



7. REPORTING AND MONITORING

- 7.1 The Board of the Company or its CSR Committee shall monitor the implementation of the CSR projects as required under the Companies Act 2013 and examine whether the funds provided by the Company are utilized in accordance with the approved plans and report to the Board of Directors or its committee. The management shall provide a detailed report of CSR activities carried out as well as budgets utilized in the prescribed format to the Company's Board or its committee.
- 7.2 In case of ongoing project, the Board 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 period.
- 7.3 The annual action plan of the Company would include the manner of execution of CSR projects or programmes to be undertaken by the Company, the modalities of utilization of funds and implementation schedules for the projects or programmes, and monitoring and reporting mechanism for the projects or programmes and details of need & impact assessment, if any, for the projects undertaken by the Company.
- 7.4 If for any reason, the Company is unable to utilize the entire funds provided by the Company, such unutilized funds shall be treated in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as may be amended from time to time.
- 7.5 The CSR Committee shall meet at least once in a year to monitor the implementation of CSR projects or programs.

8. GOVERNANCE STRUCTURE

The Company has constituted the CSR Committee to oversee the implementation of the CSR policy of the company in accordance with the requirements of Section 135 of the Companies Act. The Committee shall consist of Three Directors viz one independent Director, one Non-Executive Directors and one Managing Director shall report to the Board. The Independent Director shall be the Chairman of the Committee.

The responsibilities of the CSR committee include:

- The CSR Committee shall indicate the activities to be undertaken by the company as specified in Schedule VII;
- The CSR Committee shall recommend the amount of expenditure to be incurred every financial year at least two percent of the average net profits of the company calculated under section 198 of the Act, made during the three immediately preceding financial years;

Any other executive of the company associated with the CSR activities of the company will report to the CSR committee for all CSR projects undertaken.

9. ROLE OF CSR COMMITTEE WITH RESPECT TO UNDERTAKING CSR ACTIVITIES

The CSR Committee of the Company shall:

- (i) formulate / make changes from time to time and recommend to the Board for its approval, a CSR Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in Schedule VII to the Act.
- (ii) recommend the amount of expenditure to be incurred on the CSR activities to be undertaken by the



Company.

- (iii) monitor the CSR Policy of the Company from time to time.
- (iv) formulate and recommend to the Board for its approval, an Annual Action Plan in pursuance of this CSR Policy; and
- (v) make recommendation to the Board for alteration of Annual Action Plan if required at any time during the financial year based on reasonable justification.

Where the amount to be spent by the Company under Section 13(5) of the Act does not exceed Rupees Fifty lakh, the Board is not required to constitute the CSR Committee of the Company and in such situation, the functions of such Committee, as required under that section read with the CSR Rules, will be discharged by the Board.

10. ROLE OF THE BOARD WITH RESPECT TO UNDERTAKING THE CSR ACTIVITIES

The Board of the Company shall:

- (i) constitute a CSR Committee of the Board, if applicable and required under the Act.
- (ii) disclose the composition of the CSR Committee in the Board's report, if any.
- (iii) approve the CSR Policy for the company and disclose contents of such Policy in its report and also place it on the company's website, if any.
- (iv) ensure that the activities as are included in CSR Policy of the company are undertaken by the Company.
- (v) ensure that the Company spends, in every financial year, at least two per cent. of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of this CSR Policy.
- (vi) if the Company fails to spend such amount as specified above, then in its report made under clause (o) of sub-section (3) of section 134 of the Act, specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project referred to in sub-section (6) of section 135 of the Act, transfer such unspent amount to a Fund specified in Schedule VII to the Act, within a period of six months of the expiry of the financial year.
- (vii) discharge the functions of the CSR Committee in case it is not required to be constituted or dissolved owing to the amount to be spent by the Company under sub-section (5) of section 135 not exceeding fifty lakh rupees.
- (viii) satisfy itself that the CSR funds 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.
- (ix) In case of ongoing project, 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;
- (x) Approve the annual action plan, as recommended by the CSR committee, if any.
 - (xi) Atler the annual action plan at any time during the financial year, as per the recommendation of its CSR committee, if any, based on the reasonable justification to that effect.
- (xii) Ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.
- (xiii) pass a resolution for setting off the CSR amount spent in excess of requirement provided under sub-section (5) of section 135, against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years.
- (xiv) Make disclosures in the Board Report as required under Rule 8 of the CSR rules.
- (xv) Undertake impact assessment as required under Rule 8 of the CSR Rules and take note of the impact assessment reports which are mandatorily required to be placed before it; and



11. CSR SPENDING

In every Financial Year, the company will contribute 2% of the average net profits of the company made during the three immediately preceding financial years for implementation of CSR projects.

12. SURPLUS OF CSR PROJECTS

The surplus, if any, during any year arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company and will be ploughed back into the CSR activities.

13. DISCLOSURES

The Committee shall ensure that the CSR Policy, as amended from time to time, is displayed on the company's website. The CSR Committee shall place before the Board, a draft report on CSR activities in a board meeting every financial year for Board's review and finalization. The Board shall include in its report to the shareholders, the annual report on CSR activities as per the format specified under the Rules.

Note: Any or all the provisions of the CSR policy would be subject to revision / amendment by the Board of Directors of the Company based on the recommendations of the CSR committee in accordance with the guidance on the subject issued by the government authorities from time to time.

