

Corporate Social Responsibility Policy

This Corporate Social Responsibility Policy (hereinafter referred to as 'CSR Policy') of SEIL Energy India Limited ("Company" or "SEIL") is framed in terms of the Companies Act, 2013 (hereinafter referred to as 'the Act') read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as 'the CSR Rules'), as amended from time to time.

1. PREAMBLE

SEIL is committed to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical. Its stakeholders include employees, investors, shareholders, customers, business partners, clients, civil society groups, Government and Non-Government organizations, local communities, environment and society at large.

SEIL is dedicated to inclusive growth and environmental resilience, embedding Corporate Social Responsibility (CSR) at the heart of our corporate strategy in alignment with Sustainable Development Goals (SDGs).

Approach to CSR

At SEIL, we believe in building sustainable businesses that deliver long-term shareholder value and growth. We believe that a truly sustainable business not only creates economic value, but also does so in a way that benefits its stakeholders. SEIL CSR Policy sets the intent, guiding principles, governance, focus areas, implementation modalities, monitoring, and reporting.

SEIL strives to enhance the quality of life of the communities in and around our operations by improving healthcare and education, developing infrastructure, generating sustainable livelihood options, as well as promoting sports, art and culture.

2. VISION & OBJECTIVES

2.1 CSR Vision:

"To actively contribute to the social and economic development of the communities in which we operate and beyond. In doing so, build a better, environmentally sustainable way of life for all the stakeholders, local community and society at large".

2.2 CSR Objectives:

- a. SEIL shall undertake appropriate CSR initiatives having direct/indirect, measurable and positive economic, social and environmental impact on the community with particular emphasis on the development of local area and area around where it operates and beyond its operational areas as may be appropriate for the overall empowerment of communities.
- b. SEIL's CSR Policy is developmental and participatory in nature aligned-with Schedule VII themes.

3. DEFINITIONS

3.1 "Act" means the Indian Companies Act, 2013 and the rules thereunder and any statutory modification or re-enactment thereof or other the Act or Acts for the time being in force in India containing the provisions of the Legislature in relation with the Companies ;

3.2 “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;

3.3 “Corporate Social Responsibility (CSR)” means the activities undertaken by a Company in pursuance of its statutory obligation laid down in Section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely:-

- activities undertaken in pursuance of normal course of business of the company;
- 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;
- contribution of any amount directly or indirectly to any political party.;
- activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019;
- activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- activities carried out for fulfilment of any other statutory obligations under any law in force in India;

3.4 “CSR Committee” means the Corporate Social Responsibility Committee of the Board constituted/reconstituted as per section 135 of the Act;

3.5 “CSR Policy” means a statement containing the approach and direction given by the board of the 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 as per the applicable Act and rules made thereunder;

3.6 “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, to which the provisions of the Schedule to the said Act apply;

3.7 “Net profit” means the net profit of the 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, and:
- (iii) as amended from time to time as per the Act

3.8 “Ongoing Project” means a multi-year project undertaken by the 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;

4. CSR GUIDING PRINCIPLES:

SEIL is committed to establish best practices in CSR and guided by the following principles:

4.1 Shared Responsibility- As CSR involves everyone in organization therefore sharing the responsibilities of ownership as well as its rewards.

4.2 Openness and Accountability – Openly communicate CSR policy, objectives and performance to SEIL’s consumers, shareholders, employees, local community and society at large.

4.3 Continuous Improvement- As part of SEIL’s best practices, the Company will commit to measuring and improving its CSR performance, develop and implement specific environmental and social policies and procedures, monitor the performance, set targets for improvement and report progress as per statutory requirements.

4.4 Demonstrate Statutory Compliances- Meet all relevant statutory legislation and compliances and where none exists will seek to develop and implement own appropriate methods and standards.

5. FOCUS AREAS UNDER SEIL CSR POLICY (AS PER SECTION 135 AND SCHEDULE VII OF THE COMPANIES ACT, 2013)

Under the SEIL CSR Policy, the Company propose to work in the following Six Focus areas: (i) Education (ii) Basic Healthcare (iii) Village Development (iv) Skill Development (v) Social Reform and (vi) Environment Sustainability. Besides these Focus Areas, the Company may also undertake interventions in the fields of Disaster Relief, Child Relief and Self Employment / labor Welfare, etc. as per the requirement of the surrounding society at large and beyond and may take up any other areas as provided under Schedule VII of the Companies Act, 2013 and rules made thereunder as amended from time to time.

SEIL may undertake CSR activities which the CSR Committee of the Board may decide from time to time, in any areas or subjects in accordance with the requirements under the Companies Act, 2013 (the “Act”) and the rules / regulations framed thereunder and circulars / clarifications issued thereunder (collectively, “the Applicable Law”), SEIL’ CSR activities, within the ambit of Schedule VII of the Companies Act, 2013; amongst others, will focus on:

- (i) Healthcare
- (ii) Education
- (iii) Environment Sustainability
- (iv) Skill Development
- (v) Rural Development
- (vi) Research & Development
- (vii) Disaster Management
- (viii) Any other thematic area suggested by CSR Committee / Board

The above is as per the requirement of the society at large and may take up any other areas as provided under Schedule VII of the Companies Act, 2013 and rules made thereunder as amended from time to time.

Activities, setting measurable targets with timeframes and performance management.

Prior to the commencement of projects, SEIL collects data on the parameters and internal assessment as applicable or design and evaluation of the project.

The CSR plans are presented at the Annual Planning and Budget meeting with CSR Committee. All projects are assessed under the agreed strategy to meeting the statutory requirements and are monitored on timely basis and budgets. Wherever necessary, changes / midcourse corrections are taken on need basis.”

6. TRAINING/ AWARENESS OF CSR

Training/Awareness programs will be conducted for the employees / other stakeholders on CSR aspirations of the Company, provided total expenditure on such training/awareness programs does not exceeds the prescribed limits as per the Companies Act, 2013.

7. VOLUNTEERING BY SEIL EMPLOYEES

SEIL employees and their families will also be encouraged for participating in the CSR activities of the Company.

8. CSR BUDGET

CSR Committee shall recommend the CSR amount to be spent for a financial year in accordance with the provisions under the Companies Act, 2013 and the Board of Directors to approve the same.

9. ADMINISTRATIVE SET-UP

The CSR Committee to be constituted or may be re-constituted by the Board of Directors from time to time and will govern and review the CSR Activities of the Company. The CSR Committee shall formulate and recommend an Annual Action Plan for CSR to the Board for its approval. The plan will include the List of CSR projects or programmes to be undertaken, manner of execution, modalities of utilisation of funds and implementation schedules, monitoring and reporting mechanism and details of need and impact assessment, if any, for the projects undertaken by the Company. The Board may alter such plans at any time during the financial year, based on the evaluation and recommendation of CSR Committee.

10. IMPLEMENTATION OF THE CSR ACTIVITIES (AS PER RULE 4 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) AMENDMENT RULES, 2021)

10.1 The CSR Committee / Board shall ensure that the CSR Activities are carried out in accordance with the CSR Policy and in compliance with the applicable Act and rules made thereunder.

10.2 Mode of Implementation: The Company shall undertake the CSR activities itself or through

- (i) 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, established by the Company, either singly or along with any other company, or
- (ii) 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
- (iii) any entity established under an Act of Parliament or a State legislature; or
- (iv) 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.

10.3 A company may engage international organisations 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.

10.4 A 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 are in a position to report separately on such projects or programmes in accordance with these rules.

10.5 "SEIL Energy Foundation", a Section 8 company, has been set up by SEIL Energy India Limited with an objective to serve the society and it shall take up various projects and programmes.

11. CSR EXPENDITURE (AS PER RULE 7 OF THE COMPANIES (CORPORATE SOCIAL RESPONSIBILITY POLICY) AMENDMENT RULES, 2021)

11.1 The CSR Committee shall recommend the amount of CSR Expenditure to be incurred in a year, in accordance with the Act and the Rules.

11.2 The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

11.3 Where a company spends an amount in excess of requirement, such excess amount may be set off against the requirement to spend 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.
- (ii) the Board of the company shall pass a resolution to that effect.

11.4 The surplus arising out of the CSR projects or programs or activities will not form part of the business profit of SEIL.

11.5 The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by -

- (i) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number; or
- (ii) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- (iii) a public authority:

11.6 Unspent CSR amount - If unspent CSR amount for any year relates to any 'ongoing projects' the unspent CSR amount shall be transferred to a special bank account for that year called 'Unspent Corporate Social Responsibility account' within 30 days from the end of financial year. Amount in 'Unspent Corporate Social Responsibility account' shall be spent within 3 financial years from the date of transfer. Failing which, the amount shall be transferred to a fund specified under Schedule VII within 30 days of completion of 3 Financial years.

In other cases, the unallocated CSR amount shall be transferred to a Fund specified under Schedule VII within six months from expiry of the financial year.

12. MONITORING

12.1 The Board of a company 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.

12.2 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 changes/ modifications, if any, for smooth implementation of the project within the overall permissible time period.

13. REPORT / WEBSITE DISPLAY

13.1 An Annual Report on CSR activities shall be included with the Board's Report of SEIL for communicating with various stakeholders in the format prescribed under the Companies Act, 2013.

13.2 The impact assessment reports, shall be placed before the CSR Committee/ Board and annexed to the annual report on CSR as may be required and applicable from time to time.

13.3 Display of CSR activities on its website. - The composition of the CSR Committee, and CSR Policy and Projects approved by the Board shall be disclosed on the SEIL website for public access

14. MODIFY/ AMEND THE CSR POLICY

14.1 The power to modify / amend the CSR Policy will vest with the Board of Directors from time to time keeping in view of the provisions/ amendments applicable to The Companies Act and Government guidelines.

14.2 In the event of any inconsistency between this Policy and the applicable laws, the applicable laws will prevail.
