



GACL-NALCO ALKALIES & CHEMICALS PRIVATE LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY
(as approved by the Board of Directors on 24.07.2020)

GACL-NALCO ALKALIES & CHEMICALS PRIVATE LIMITED
GACL CORPORATE BUILDING, P.O. PETROCHEMICALS - 391 346
DIST. : VADODARA

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

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SECTION - 1: CONCEPT

1.	SHORT TITLE & APPLICABILITY :		
	Backdrop :		
	<p>The CSR policy is formulated in terms of provisions of Section 135 read with Schedule VII to the Companies Act, 2013 and the Companies (Corporate Social Responsibility Rules), 2014 (“CSR Rules”) which prescribes the requirements as to what should be the legal and structured framework for doing the CSR activities.</p> <p>The CSR Policy of the Company, in the backdrop of such prescribed requirements, is enunciated in the foregoing paragraphs:</p>		
	1.1.	SHORT TITLE :	
	1.1.1	<p>This policy, which encompasses the Company’s philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially relevant programs for the welfare & the sustainable development of the community at large. The Policy is titled as the “GNAL CSR Policy”.</p>	
	1.1.2	<p>This Policy shall apply to all CSR initiatives and the activities taken up at various Plant/s / Business location/s of GNAL, for the benefit of different segments of the society.</p>	
	1.2.	DEFINITIONS :	
		<p>Act :</p> <p>Act shall mean the Companies Act, 2013 including with reference to Section 135 and shall include any amendments thereto or reenactments thereof.</p> <p>CSR :</p> <p>Means and includes activities that are carried out as Corporate Social Responsibility and fall within the ambit of Section 135 read with Schedule VII to the Companies Act, 2013 and rules thereunder.</p> <p>GNAL :</p> <p>GNAL shall mean GACL-NALCO Alkalies & Chemicals Private Limited and shall include all its plants/units, in India.</p>	

			<p>LAW(S) :</p> <p>Laws means applicable laws with respect to CSR activities including the Act and Rules.</p> <p>Net Profit :</p> <p>Net Profit means as defined in Rule 2(f) of the Companies (Corporate Social Responsibility Policy) Rules, 2014.</p> <p>Rules :</p> <p>Rules means the Companies (Corporate Social Responsibility Policy) Rules, 2014 and shall include any amendments thereto or reenactments thereof.</p> <p>Schedule :</p> <p>Means Schedule VII to the Companies Act, 2013 and as amended from time to time.</p>
	1.3.	CSR VISION STATEMENT & OBJECTIVE :	
		1.3.1	<p>Vision :</p> <p>GNAL, through its CSR initiatives, shall continue to enhance value creation in the society and in the community in which it operates, through its services, conduct & initiatives, so as to promote sustainable growth for the society and community, in fulfillment of its role as a Socially Responsible Corporate Citizen with environmental concern. The Ultimate Objective of CSR activities at GNAL is to improve the “<u>Human Development Index.</u>”</p>
		1.3.2	<p>Objective:</p> <ul style="list-style-type: none"> • To ensure an increased commitment at all levels in the organization towards CSR, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders. • To directly or indirectly take up the programs that benefit the communities in & around GNAL, over a period of time, thus uplifting / enhancing the quality of life & economic well-being of the local populace. • To generate, community goodwill for GNAL and help reinforce a positive & socially responsible image of GNAL through its CSR initiatives.

SECTION – 2 : RESOURCES

2.	2.1.	BUDGET : For achieving its CSR objectives through implementation of meaningful & sustainable CSR programs, GNAL will initially allocate the fund to meet the statutory requirements which is 2% of its average past three financial year's net profit and the said amount shall be worked out in accordance with the requirements of the provisions of law for the time being in force and this would be the overall Annual CSR Budget.
	2.2.	SPENDING : Any unspent / unutilized CSR allocation of a particular year, will be dealt with in due compliance of law for the time being in force. Any surplus arising out of CSR Projects or Programs or activities may not form part of the business profits of a Company.

SECTION – 3 : PLANNING

3.	3.1.	IDENTIFICATION OF THRUST AREAS :	
		3.1.1	For purposes of focusing its CSR efforts in a continued and effective manner, the following Thrust Areas have been identified: I. Development of neighborhood of existing complexes; II. Education & Vocational Training Programs; III. Health; IV. Upgradation of existing sanitary toilets.
		3.1.2	As far as possible, efforts shall be made to prioritise the heads under which amount earmarked for CSR activities amongst the thrust areas. However, the decision of CSR Committee shall be at liberty to decide the allocation / reallocation of the earmarked amount/s.
	3.2.	STRATEGIC INITIATIVES :	
		3.2.1	Schedule VII of the Companies Act, 2013, contains the activities which may be considered as eligible for CSR activities. GNAL may undertake one or more project/s under any or all of the following thrust areas or such other area that may, under the law for the time being in force, be permissible.

			<p>The thrust areas mandated shall be:</p> <ol style="list-style-type: none"> 1) To take up any such developmental activities which is not replicated by Government initiatives; 2) Should bring good visibility and branding of the Company; 3) Should provide benefits to the society; 4) Should be sustainable in nature.
		3.2.2	<p>CSR programs will be undertaken by GACL Education Society, a CSR Arm of Gujarat Alkalies and Chemicals Limited (GACL), the Holding Company or through any other Agency as permissible under the laws, to the best possible extent within the framework of the above areas.</p>
		3.2.3	<p>The time period / duration over which a particular program will be spread, shall depend on its nature, extent of coverage and the intended impact of the program.</p>

SECTION – 4 : IMPLEMENTATION

4.	4.1.	GEOGRAPHICAL COVERAGE / AREA OF CSR ACTIVITIES :	
		4.1.1	<p>CSR work will be focused in the areas adjoining to GNAL and few less developed Talukas. The programs identified should normally fall within a reasonable radius from GNAL.</p>
		4.1.2	<p>This will include nearby areas and villages around the GNAL Complex located at Dahej i.e. Dahej Complex and other areas surrounding registered / corporate office / branch office of GNAL or any other unit of GNAL that may be come up in future. These areas shall be considered as the local area for spending the amount earmarked for CSR activities for the purposes of determining the jurisdiction as contained in the Act and the CSR Rules made there under. However, in case need arises to carry out CSR activities other than the local areas, the same may be done with approval of CSR Committee.</p>
		4.1.3	<p>The amount earmarked for CSR shall be spent by the Company in the local area and the surrounding areas where the Company operates. The amount may be spent for CSR activities in other areas considering the need with approval of CSR Committee.</p>
	4.2.	PROJECT IDENTIFICATION :	
		<p>CSR project identification shall be done broadly by means of the following:</p>	

		<p>(a) Need identification Studies by professional, institutions / agencies;</p> <p>(b) Internal need assessment by cross-functional team at the local level;</p> <p>(c) Receipt of proposals / requests from District Administration / Local Govt. etc.;</p> <p>(d) Discussions and request with local representatives / Civic bodies / Citizen's forums / Voluntary Organizations;</p> <p>(e) Receipt of proposals / requests from Holding Company or Associate Company;</p> <p>(f) Such other means / sources as may be deemed fit.</p>
	4.3.	EXECUTING AGENCY / PARTNERS :
	4.3.1	<p>GNAL will take up its CSR activities through GACL Education Society, which will seek to identify suitable programs for implementation in line with the CSR objectives of the Company and also benefit the stakeholders and the community for which those programs are intended. These works would be done either independently or through:</p> <ol style="list-style-type: none"> i. Community based organizations whether formal or informal; ii. Elected local bodies such as Panchayats etc.; iii. Voluntary Agencies (NGOs); iv. Institutes / Academic Organizations; v. Trusts, Missions; vi. Self-help Groups; vii. Government, Semi-Government and autonomous Organizations; viii. Standing Conference of Public Enterprises (SCOPE); ix. Mahila Mandals / Samitis; x. Contracted agencies for civic works; xi. Professional Consultancy Organizations; and xii. Such others as may be deemed fit.
	4.3.2	<p>Criterion for identifying Executing Agency:</p> <p>While identifying programmes, if required an external agency will be identified which would help to execute the said program. In case of program execution by NGOs / Voluntary organizations, the following criteria need to be ensured:</p> <ul style="list-style-type: none"> • The NGO / Agency has a permanent office / address in India; • The NGO is a registered Trust and/or a Society under Societies' Registration Act; • Possesses a valid Income-tax Exemption Certificate;

			<ul style="list-style-type: none"> The above mentioned agencies should be having minimum work experience of 3 years in the respective areas or more, as may be decided by CSR Committee.
		4.3.3	Any work assigned to an external agency should be executed only after entering into Memorandum of Understanding / Agreement / Acknowledgment of work order containing Scope of work.
	4.4.	MONITORING & EVALUATION :	
		4.4.1.	To ensure effective implementation of the CSR programmes undertaken, a monitoring mechanism will be put in place. The progress of CSR programmes under implementation and status of the work done shall be reported to CSR Department of the Company.
		4.4.2.	The CSR Department shall also conduct impact studies on a periodic basis, through independent professional third parties / professional institutions, especially on the strategic and high value programs.
		4.4.3.	There shall also be put in place a proper system for obtaining feedbacks from beneficiaries of the CSR program of the Company.
	4.5.	DOCUMENTATION :	
		4.5.1	Appropriate documentation of the GNAL CSR Policy, annual CSR activities, executing partners details, and expenditure incurred / earmarked shall be undertaken on a periodical basis and the Company's CSR Policy and other information shall be suitably placed on its website.
		4.5.2	Suitable reporting on CSR initiatives of the Company shall be made in the Annual Report of the Company as required under the Companies Act, 2013 and the rules made there under with effect from Financial Year 2020-21.

SECTION – 5 : AUTHORITY, RESPONSIBILITY & ACCOUNTABILITY

5.	5.1.	POWERS FOR APPROVAL :	
	5.1.1	Hierarchy flow :	<p>The hierarchy flow of the CSR activities shall be as follows:</p> <p align="center"> Board ↓ CSR Committee ↓ Chief Executive Officer ↓ CSR Department ↓ GACL Education Society </p>
	5.1.2		<p>Areas of CSR activities as may be identified shall be placed before the CSR Committee of the Board at the beginning of each Financial Year as well as at such intervals as may be deemed fit and proper. The Budget for CSR activities shall form part of the Annual Revenue Budget of the Company and shall be placed before the Board of Directors for approval. The Board will authorize CSR Committee to spend from the budget. The reporting to the Board by CSR Committee shall be made annually.</p>
	5.1.3		<p>For meeting the requirements arising out of immediate and urgent situations, the Chairman is authorized to approve proposals within the overall budget and the same shall be placed before CSR Committee for post facto approval and ratification.</p>
	5.1.4		<p>To allow a further degree of flexibility, the CSR Committee /Chief Executive Officer may authorize Head of CSR Department or head of GACL Education Society or any other NGO/Trust/Society as may be approved by the Board of Directors of GNAL to spend amount towards CSR activities to such extent as may be deemed fit within the overall budget limits.</p> <p>Chief Executive Officer and Chief Financial Officer of GNAL would be a part of Working Committee of GACL Education Society, whenever the CSR activities of GNAL would be undertaken by GACL Education Society.</p>

	5.2.	RESPONSIBILITY :	
	5.2.1	Responsibility of the Board will be:	<ol style="list-style-type: none"> 1. To approve the CSR Policy recommended by the CSR Committee and disclose the contents of such Policy in its report and place it on Company's Website. 2. To ensure spending of 2% of the average net profit of three preceding years on CSR activities. 3. To report CSR activities in Board's report and disclose with reasons for non-spending of CSR fund (2%).
	5.2.2	Responsibility of CSR Committee will be:	<ol style="list-style-type: none"> 1. To formulate and recommend a CSR Policy to the Board. 2. To recommend and ensure spending of the amount of expenditure to be incurred on CSR activities. 3. To monitor & implement the CSR Policy of the Company from time to time.
	5.2.3	Responsibility of the Chief Executive Officer will be:	To give approval for CSR projects within the policy framework and monitor projects undertaken by CSR Department from time to time.
	5.2.4	Responsibility of CSR Department will be:	<ol style="list-style-type: none"> 1. To identify and implement CSR Projects with due approvals. 2. To pass on the said identified projects for implementation to GACL Education Society with due approvals of the competent authority.

SECTION – 6 : GENERAL

6.	6.1.	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 Chairman of CSR Committee in consultation with the Chairman, GNAL shall be final.
	6.2.	Any or all provisions of the CSR Policy would be subject to revision / amendment in accordance with the requirements of the law for the time being in force.
	6.3.	The Company reserves the right to modify, cancel, add, or amend this CSR Policy.

	6.4.	CSR Committee will meet at such intervals as may be required. The quorum for the CSR Committee shall be at least two members or one third of the members of the CSR Committee, whichever is greater.
	6.5.	In case of urgent payment for a CSR Project/s, a post facto approval shall be taken from the CSR Committee. However, it may be ensured that the said CSR Project/s should be within the ambit of this CSR Policy as well as within the budget approved by the Board.
