

PUNJAB ALKALIES AND CHEMICALS LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

**PUNJAB ALKALIES AND CHEMICALS LIMITED
SCO-125,127, SECTOR 17-B, CHANDIGARH**

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

INDEX

CH.	TITLE	PAGE NO.
1.	SECTION – 1 : CONCEPT :	
	SHORT TITLE & APPLICABILITY	
	1.1 Short title	2
	1.2 Definitions	2
	1.3 CSR Vision Statement & Objective	3
2.	SECTION – 2 : RESOURCES :	
	2.1 Budget	4
	2.2 Spending	4
3.	SECTION – 3 : PLANNING :	
	3.1 Identification of Thrust Areas	4
	3.2 Strategic Initiatives	5
4.	SECTION 4 - IMPLEMENTATION :	
	4.1 Geographical Coverage/Area of CSR activities	6
	4.2 Project Identification	7
	4.3 Executing Agency/Partner	7
	4.4 Monitoring & Evaluation	8
	4.5 Documentation	8
5.	SECTION - 5 : AUTHORITY, RESPONSIBILITY & ACCOUNTABILITY :	
	5.1 Powers for Approval	9
	5.2 Responsibility	10
6.	SECTION – 6 : GENERAL :	
		10 -11

SECTION - 1: CONCEPT

1.	SHORT TITLE & APPLICABILITY :	
	Backdrop :	
	<p>The present CSR policy is being documented with a candid objective of formalizing as a document of what is being done by the Company and what would it proposes to do in the time to come. Section 135 read with Schedule VII to the Companies Act, 2013 and the Corporate Social Responsibility Rules, 2014 (CSR Rules) has prescribed 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	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 welfare & sustainable development of the community at large, is titled as the ' PACL CSR Policy '.
	1.1.2	This policy shall apply to all CSR initiatives and activities taken up at its Plant / Corporate Office of Punjab Alkalies and Chemicals Limited (hereinafter referred to as PACL for the sake of brevity), for the benefit of different segments of the society.
	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.</p> <p>PACL :</p> <p>PACL shall include its plant/unit at Naya Nangal, District Ropar, Punjab, in India.</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.</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>In alignment with vision of the Company, PACL, 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 sustained growth for the society and community, in fulfillment of its role as a Socially Responsible Corporate Citizen with environmental concern.</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.
		<ul style="list-style-type: none"> • To directly or indirectly take up programs that benefit the communities in & around PACL, over a period of time, thus uplifting / enhancing the quality of life & economic well-being of the local populace. • To generate, community goodwill for PACL and help reinforce a positive & socially responsible image of PACL through its CSR initiatives.

SECTION – 2 : RESOURCES

2.	2.1.	<p>BUDGET :</p> <p>For achieving its CSR objectives through implementation of meaningful & sustainable CSR programs, PACL will allocate statutorily permissible atleast 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.</p>
	2.2.	<p>SPENDING :</p> <p>Any unspent /unutilized CSR allocation of a particular year, will be dealt with in due compliance of law for the time being in force.</p> <p>Any surplus arising out of CSR Projects or Programs or activities may not form part of the business profits of a Company.</p>

SECTION – 3 : PLANNING

3.	3.1.	<p>INDENTIFICATION OF THRUST AREAS :</p>
	3.1.1	<p>For purposes of focusing its CSR efforts in a continued and effective manner, the following Thrust Areas have been identified :</p> <ul style="list-style-type: none"> I. Education & Vocational Training Programs; II. Nutrition & Health; III. Development of neighborhood of existing complexes; IV. Hygiene Improvement through upgradation of existing sanitary toilets; V. Income Generation Activities utilizing local resources for value addition VI. Infrastructure for Safe Drinking Water
	3.1.2	<p>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.</p>
	3.2.	<p>STRATEGIC INITIATIVES :</p>

		3.2.1	<p>Schedule VII of the Companies Act, 2013, contains the activities which may be considered as eligible for CSR activities.</p> <p>PACL 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> <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 directly undertaken by the Company or through any Implementation Partner 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 works being focused in the areas adjoining to PACL factory at Naya Nangal. The programs identified should normally fall within a reasonable radius from PACL Factory.</p>
		4.1.2	<p>This will include nearby areas and villages around the set up of PACL i.e. Naya Nangal & Chandigarh or any other unit of PACL that may be set 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	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.
	4.2. PROJECT IDENTIFICATION :	<p>At PACL, CSR project identification shall be done broadly by means of the following :</p> <ul style="list-style-type: none"> (a) Need identification Studies by professional, institutions /agencies; (b) Internal need assessment by cross-functional team at the local level; (c) Receipt of proposals /requests from District Administration /Local Govt. etc.; (d) Discussions and request with local representatives /Civic bodies /Citizen's forums /Voluntary Organizations; (e) Such other means /sources as may be deemed fit.
	4.3. EXECUTING AGENCY / PARTNERS :	
	4.3.1	<p>PACL will take up its CSR activities directly or any Implementation Partner, 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> <ul 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; • The above mentioned agencies should be having minimum work experience in the respective areas 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 Committee of the Company.
	4.5.	DOCUMENTATION :
	4.5.1	Appropriate documentation of the PACL 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 as well as its activities 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.

SECTION – 5 : AUTHORITY, RESPONSIBILITY & ACCOUNTABILITY

5.	5.1.	POWERS FOR APPROVAL :
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	5.1.1	<p>Hierarchy flow :</p> <p>The hierarchy flow of the CSR activities shall be as follows:</p> <p style="text-align: center;">Board</p> <p style="text-align: center;">CSR Committee</p> <p style="text-align: center;">Managing Director</p> <p style="text-align: center;">Director</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 Managing Director is authorized to approve proposals within the overall budget and the same shall be placed before CSR Committee for ex-post facto approval.</p>
	5.1.4	<p>To afford a further degree of flexibility, the CSR Committee /Managing Director may authorise the Whole Time Director of the Company to spend amount towards CSR activities to such extent as may be deemed fit within the overall budget limits.</p>
	5.2.	RESPONSIBILITY :
	5.2.1	<p>Responsibility of Board will be :</p> <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 2 % spending 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 : 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 Managing Director will be : To give approval for CSR projects within the policy framework and monitor projects undertaken by the Company from time to time.

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 (CSR Committee) in consultation with the Managing Director 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, ex- 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.