



---

# **GANGWAL CHEMICALS PRIVATE LIMITED**

---

CORPORATE SOCIAL RESPONSIBILITY POLICY



## **CORPORATE SOCIAL RESPONSIBILITY – Background**

**GANGWAL CHEMICALS PRIVATE LIMITED** believes that along with a sustained economic performance, environmental and social stewardship is also important factor for overall growth. The Company in pursuance of its vision of inculcating good corporate responsibility, will focus to contribute to the sustainable and holistic development of the society and environment.

### **I. OBJECTIVES**

- i). To improve quality life for all our communities through integrated and sustainable development.
- ii). To undertake projects/programmes which will enhance the quality of life and economic well-being of the communities in accordance with Schedule VII of the Companies Act, 2013 (“Act”) read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (“Rules”).
- iii). To identify and formulate the broad areas the Company shall pursue towards fulfilling its CSR obligations.
- iv). To serve as a guiding document to plan, identify, implement and monitor CSR initiatives.

### **II. DEFINITION**

In this Policy, unless the context otherwise requires:

- i). ‘Act’ shall mean the Companies Act, 2013 and the rules made thereunder, including any statutory modification or re-enactment thereof.
- ii). ‘Agency(ies)’ / ‘Institute’ means any Section 8 Company or Registered Trust/ Society/ NGO/ institution performing social services for the benefit of the society and excluding a Registered Trust/ Society/ NGO/ institution/ Section 8 Company which is formed by the Company or its holding or subsidiary Company/Companies.
- iii). ‘Board’ shall mean the Board of Directors of the Company.
- iv). ‘Company’ shall mean ‘GANGWAL CHEMICALS PRIVATE LIMITED’
- v). ‘CSR Committee’ shall mean the Corporate Social Responsibility Committee constituted by the Board of the Company in accordance with the Act.
- vi). ‘CSR Policy’ shall mean the Corporate Social Responsibility Policy of the Company, which covers the activities to be undertaken by the Company as specified in Schedule VII of the Act.

- vii). 'Rules' shall mean the Companies (Corporate Social Responsibility) Rules, 2014, including any re-enactment, modifications or amendment thereof.

Words and expressions used and not defined in this Policy shall have the same meanings respectively assigned to them in the Act and/or Rules.

### **III. CONSTITUTION OF CSR COMMITTEE**

In accordance with Section 135 of the Companies Act, 2013 and the rules therein, the Board of Directors of the Company has constituted a robust Corporate Social Responsibility Committee (hereinafter referred to as the 'CSR Committee') to oversee the implementation of its CSR Activities.

### **IV. FUNCTIONS OF CSR COMMITTEE**

- i). To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and rules made thereunder.
- ii). To recommend the amount of expenditure to be incurred on the CSR activities and an annual action plan for carrying out CSR activities in accordance with the applicable law, and inclusive of the following items:
  - a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
  - b) the manner of execution of such projects or programmes;
  - c) the 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;
- iii). To monitor the implementation of framework of CSR Policy
- iv). To carry out any other function as mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.

### **V. CSR BUDGET**

The budget for CSR projects shall be recommended by the CSR Committee of the Board of Directors of the Company and approved by the Board in accordance to the Section 135 of the Companies Act, 2013 and the rules made therein (including any statutory modification or re-enactment thereof for the time being in force).

The total budget proposed for the CSR projects covered under this policy shall be at least 2% of the average net profits of the Company made during the three immediately preceding financial years, provided the 'net profits' is calculated in accordance to the Section 135 of the Act for CSR Activities. Administrative overheads shall not exceed 5% of total CSR expenditure of the company in one financial year.

In case the funds allocated for spending as per the Annual Action Plan remain unspent, the reasons for the same will be included in the report of the Board of Directors for the concerned financial year. The Company will also ensure that the applicable provisions of the Act and the Rules are followed in respect of use/transfer to specified account/s of such unspent funds.

## **VI. SURPLUS FROM CSR PROJECTS**

Any surplus, generated out of the CSR Activities, will be tracked and will be ploughed back to the CSR Initiatives. The surpluses will not form part of the business profits of the Company.

## **VII. THRUST AREAS**

While the Company is eligible to undertake any suitable/rightful activity as specified in Schedule VII to the Act, however, and also undertake the relevant activities on priority basis in the following areas:

**i). SANITATION:**

- a) Promotion of Public and personal hygiene.
- b) Construction of toilet units at schools and other disadvantaged & underprivileged public places.

**ii). EDUCATION:**

- a) Helping and supporting disadvantaged, under & non-privileged students.
- b) Improving academic standards in economically backward schools.
- c) Contribution towards creating infrastructure and renovation of schools for promoting education.

**iii). HEALTH AND MEDICAL:**

1. Creating awareness on health and promoting health care including preventive health care
2. Contribution towards creating infrastructure and renovation of hospital.
3. Contribution towards free/ concessional rate medicines and other services to the poor patients

4. Contribution towards purchasing new medical equipment, professional and consultation fees and fellowship fees for the hospital.

iv). **ENSURING ENVIRONMENTAL SUSTAINABILITY;**

v). **ERADICATING EXTREME HUNGER AND POVERTY;**

## **VIII. IDENTIFICATION OF CSR PROJECTS**

- i). CSR Committee of the Board shall identify and approve CSR Projects with estimated expenditure and implementation schedules.
- ii). The Company shall ensure that in identifying its CSR Projects, preference shall be given to the local area and areas around which the Company and its various units operate.
- iii). CSR Projects shall be identified on the basis of detailed analysis by the CSR Committee.
- iv). CSR Committee may or may not engage any external firm(s) / agency(ies) / professional(s) for the purpose of identification of CSR Projects.

## **IX. CSR IMPLEMENTATION**

The Company shall implement its CSR activities either directly or through Gangwal Foundation as per the Committees decision.

The Company may also collaborate with other corporates, any entity established under an Act of Parliament or a State legislature, registered Societies, Trusts, Section 8 Company or a firm registered under Companies Act 1956/2013, that is having established track record of at least three years along with domain expertise within the ambit of the Thrust area(s) as specified in the Schedule VII to the Act.

## **X. MONITORING MECHANISM**

To ensure steady progress of CSR activities/projects and proper implementation of CSR Policy, any of the following mechanism may be adopted:

- a) Internal Audit and review
- b) Engaging external agency(ies)
- c) Reporting on progress / operation from time to time.
- d) Any other appropriate mechanism as approved by the CSR Committee

Based on the above monitoring, the CSR Committee shall report to Board of Directors of the Company.

## **XI. DUTIES AND RESPONSIBILITIES**

### **a) BOARD OF DIRECTORS**

- i). The Board shall include in its Report the Annual Report on CSR Projects / Activities as per the format provided in the Rules.
- ii). The Board shall ensure that activities included by a Company in its CSR Policy are related to the activities included in the Schedule VII of the Act.
- iii). The Board of a company shall ensure that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the person responsible for financial management shall certify to this effect.

### **b) CSR COMMITTEE**

- i). The CSR Committee shall monitor the implementation of the CSR Policy;
- ii). The CSR Committee shall be directly responsible in discharge of CSR functions and any other statutory obligations or as required by the Board;
- iii). The CSR Committee shall ensure that CSR Policy is displayed on the Company's website;
- iv). The CSR Committee shall provide the Board with draft annual report, as referred in the Rules, for the review and finalization.

## **XII. REVIEW AND AMENDMENTS**

- i). CSR activities/programs may be reviewed / modified by the CSR Committee at such intervals as it may deem fit.
- ii). The CSR Committee shall review the Policy every year unless such revision is necessitated earlier.