

# NARMADA CLEAN TECH

REG. OFFICE: SURTI BHAGOR, NR. GUJARAT GAS OFFICE, UMARWADA ROAD, ANKLESHWAR - 393001

CIN: U40101GJ2000NPL037236

CONTACT NO.: +91 8469745285 Email Id: info@nctc.co.in

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## **NARMADA CLEAN TECH**

### **CORPORATE SOCIAL RESPONSIBILITY POLICY**

#### **1. PHILOSOPHY**

Narmada Clean Tech ("the Company" or "NCT") is registered under Section 8 of the Companies Act, 2013. The Company is subsidiary of Gujarat Industrial Development Corporation (GIDC). GIDC is a corporation set up under the Gujarat Industrial Development Act, 1962. NCT is jointly promoted by Member Industries of Ankleshwar, Jhagadia and Panoli Industrial Estates.

The main object of the Company is to receive treated industrial effluent from Ankleshwar, Jhagadia & Panoli Industrial Estates, through effluent carrying network, which is developed, operated & maintained by NAA/GIDC and to polish it further at Final Effluent Treatment Plant (FETP) upto marine standards and then to convey deep into the sea with the help of 43.6 km onshore and 9.3 km offshore pipelines through scientifically designed diffuser at marine outfall point, which is identified by NIO where instantaneous dispersion and tremendous dilution is available.

Our commitments towards Corporate Social Responsibility include but not limited to, promotion of education and healthcare, energy and climate change, and betterment of the society through respect for universal human rights and the environment, acting with integrity and accountability and operating responsibly and sustainably.

Company understands the concept of Corporate Social Responsibility and is also aware about its responsibility towards the society and the environment for what it has achieved so far. Company is strongly committed to continuously perform their duties with full dedication and enthusiasm in true letter and spirit.

#### **2. OBJECTIVE AND SCOPE**

##### **a. Objective**

The main objective of the CSR Policy is to lay down guidelines for Narmada Clean Tech (hereinafter referred to as 'the Company') to make CSR as one of the key focus areas to adhere to Narmada Clean Tech 's interest in environment and society that focuses on making a positive contribution to society through effective impact and sustainable development programs.

This Policy covers the proposed CSR activities to be undertaken by the Company and ensuring that they are in line with Schedule VII of the Act as amended from time to time. It covers the CSR activities which are being carried out in India only and includes strategy that defines plans for future CSR activities.

##### **b. Scope & Coverage**

The CSR activities of the Company shall include, but not limited to any or all of the sectors/activities as may be prescribed by Schedule VII of the Companies Act, 2013 amended from time to time. Further, the CSR Policy is applicable on the Company w.e.f. 01<sup>st</sup> April, 2022 and Company will review the sectors/activities from time to time and make additions/deletions/clarifications to the above sectors/activities.

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## 3. DEFINITIONS

In this Policy unless the context otherwise requires,

“Act” means the Companies Act, 2013 or any statutory modification or re-enactment thereof and includes any Rules framed thereunder, as the case may be in respect to the reference made in the provisions under this Policy;

“Annexure” means annexure appended to the amended CSR rules notified in January 2021.

“Articles” means the Articles of Association of the Company, as modified from time to time; “Board of Directors” or “Board” means the collective body of the Directors of the Company;

“Company” shall mean “Narmada Clean Tech”.

“Corporate Social Responsibility” or “CSR” means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act, but shall not include the following:

- i. activities undertaken in pursuance of normal course of business of the Company.
- 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 Company on sponsorship basis for deriving marketing benefits for its products or services; and
- vi. activities carried shall mean the activities mentioned herein and intended to be undertaken by the Company in pursuance of its statutory obligation laid down in section 135 of the Act.

“CSR Policy” means a statement containing the approach and direction given by the board of a Company, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;

“Net Profits” shall mean the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Companies Act, 2013, but shall not include the following, namely: -

- a. any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise; and
- b. any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Companies Act, 2013.
- c. “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-

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year project but whose duration has been extended beyond one year by the board based on reasonable justification.

## **4. RESPONSIBILITIES OF THE BOARD**

The Board shall:

- Approve the CSR Policy.
- Place the CSR Policy on the Company's website.
- Ensure implementation of the activities under CSR.
- Ensure expenditure of requisite amount on CSR every year as per law.
- Disclose reasons for not spending the amount (if applicable) in the Annual Report to the Shareholders of the Company.
- Ensure that the funds so disbursed have been utilized for the purposes and in the manner as approved by Board and the Chief Financial Officer or the person responsible for financial management or third party-chartered Accountant shall certify to the effect.
- Approve transfer of unspent CSR Amount in accordance with the law. The Accounts and Finance Team shall prepare the statement of spent and unspent CSR amounts and shall assist and facilitate for transfer of the same.
- To ensure that the Company spends, in every financial year, at least 2% of the average net profits made during the three immediately preceding financial years, in pursuance, of its CSR Policy.
- The Board shall specify in its report the reasons for not spending the amount if the Company fails to spend such amount.

## **5. CSR ACTIVITIES**

The Company shall undertake any of the following Activities/Projects or such other activities/ projects as may be notified by the Ministry of Corporate Affairs from time to time as a part of the Corporate Social Responsibility ("CSR"):

- Eradicating hunger, poverty, and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.
- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.
- 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.
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air, and water.
- 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.

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- Training to promote rural sports, nationally recognized sports, Paralympics, and Olympic sports.
- Measures for the benefit of armed forces veterans, war widows and their dependents.
- 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 scheduled tribes, other backward classes, minorities, and women.
- Contribution to public funded universities as prescribed in schedule VII or funds provided to technology incubators 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.
- Rural development projects.
- Slum area developments.
- Disaster management, including relief, rehabilitation, and reconstruction activities.
- Any other activities in relation of the above and all other activities which forms part of CSR as per Schedule VII of the Act, 2013 (the "Act") as amended from time to time or the Board may consider to be appropriate. (Collectively hereinafter referred to as "CSR Activities") Provided that the preference shall be given to the local areas and areas where the Company operates for undertaking the CSR Activities.

## 6. CSR EXPENDITURE

### a. **CSR Funds**

- For achieving its CSR objectives through implementation of meaningful and sustainable CSR programs, the Company will allocate 2% of its average net profits made during the 3 immediately preceding financial years as its Annual CSR Budget.
- The Annual CSR Budget shall be spent on activities laid down in this Policy.
- Any surplus arising and/or additional revenue generated out of CSR Activities undertaken by the Company shall not form part of the business profit of the Company and same shall be spent for undertaking any CSR Activities only.

### b. **Surplus arising from CSR activity**

Any surplus arising out of the CSR projects, programs or activities will not form part of the business profit of the Company and shall be treated in the following manner:

- ploughed back into the same project;
- shall be transferred to the Unspent CSR Account opened by the Company, from which the said amount shall be spent in pursuance of CSR policy and annual action plan on the Company; or
- such surplus will be transferred to a Fund specified in Schedule VII to the Act, within a period of six months of the expiry of the financial year.

### c. **Excess CSR Spent**

In case of excess CSR Spend in any year, such excess amount may be set-off against the requirement to spend up to immediate succeeding 3 financial years subject to:

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- the excess amount available for set off will not include surplus arising from CSR Activities; and
- the Board to pass a resolution to that effect.

#### **d. Creation or Acquisition of Capital Assets**

The CSR amount can be spent for creation or acquisition capital assets which shall be held by:

- a company established under section 8 of the Act or Registered Public Trust or Registered Society, having Charitable objects and CSR Registration Number under the Rules;
- beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities;
- public authority.

#### **e. Treatment of unspent amount**

In the event, if the company fails to spend the entire amount in the financial year, the reasons thereof will be outlined as per section 134(3)(o) of the Act to be shared with all the stakeholders through the Annual Report and the unspent amount shall be transferred to any fund included Schedule VII of the Act until such a fund is specified in Schedule VII within 6 months from the end of Financial Year.

However, any amount remaining unspent pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

### **7. CSR ANNUAL ACTION PLAN (CAAP) AND LOCATION OF CSR EFFORTS**

The Board shall formulate, a CAAP in pursuance of this Policy, which shall include focus areas for the year, the list of projects to be undertaken, manner of execution, fund utilization, monitoring mechanism etc.

The Board of Directors may approve the CAAP with such further conditions as it deems fit and further alter CAAP at any time during the financial year, based on the reasonable justification to that effect.

### **8. IMPLEMENTING AGENCY**

The Board shall ensure the CSR activities are undertaken by the company itself or the through, –

- 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 (43 of 1961), established by the company, either singly or along with any other company; or

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- 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
- any entity established under an Act of Parliament or a State legislature; or
- 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.

## **Form CSR -1 – (Rule 4(2) of CSR Rules, 2021) provides that:**

The eligible entities through which the company has undertaken the CSR Project or Programme will require to register itself with the Central Government by filing electronically e-Form (CSR-1) with effect from 1st April 2021 and get the unique CSR Registration Number generated by the system automatically.

## **9. CRITERIA FOR IDENTIFYING EXECUTING PARTNERS**

While undertaking any project or program with other partnering organizations, the Company will undertake due diligence to evaluate the NGO's reputation, track record, capacity and competency, including organization structure, requisite permits and licenses, presence in desired geography and compatibility with the CSR Policy and satisfy itself that the entities in the list of eligible entities through which the company shall undertake the CSR Project or Programme are registered with the Central Government as required under the CSR Rules in this behalf.

## **10. MONITORING AND REVIEWING MECHANISM**

Board shall monitor periodically the implementation of the projects / programs / activities undertaken by the Company.

## **11. INFORMATION DISSEMINATION**

- Appropriate documentation of the CSR Policy, annual CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis and the same will be available in the public domain.
- CSR initiatives of the Company will also be reported in the Annual Report of the Company.

## **12. GENERAL**

- Any or all provisions of the CSR Policy would be subject to revision/ amendment in accordance with the guidelines on the subject as may be issued from Government, from time to time.

The Board reserves the right to modify, add, or amend any of provisions of this Policy subject to approval of the Board. In the event of any conflict between the provisions of this Policy and of the applicable law, such applicable law in force from time to time shall prevail over this Policy.