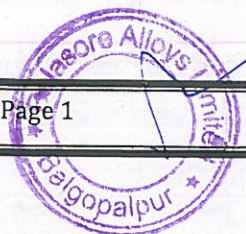


BALASORE ALLOYS LIMITED



CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

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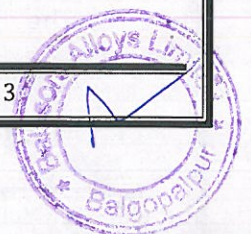
Amendment Sheet

Amendment		Version Control			Notes on Amendments	Approved By
A. No.	Date	Page Number	Rev Number			
			From	To		



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I. BACKGROUND

BALASORE Alloys Limited ('BAL') is a Ferro Chrome manufacturing company with experience exceeding three decades. The Company's long-term CSR vision is to continuously serve its community through value creation for all stakeholders. The Company's core values include:

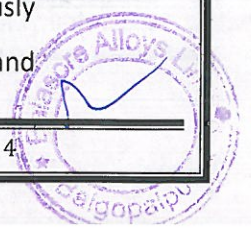
- **Safety:** We strive to provide a safe working environment for the well-being of our people.
- **Integrity:** Our aim is to act ethically and take responsibility for our actions.
- **Excellence:** We endeavour to achieve key deliverables by focusing on quality, sustainability and innovation.
- **Cost-consciousness:** Our mission is to operate in the most cost-effective way and continuously create value for all stakeholders.
- **Caring:** Our priority is to treat our people with dedication, respecting applicable laws and being conscious of social accountability.
- **Respect:** We value our relationships and our communication with all stakeholders, based on transparency, co-operation and mutual respect.

II. STRATEGY

BAL's CSR Policy is based on sustainable development and inclusive growth. BAL is working across its business operations to encourage **sustainable communities**. We believe a **Sustainable Community** is one that:

- Enjoys **trusting stakeholder relationships** in an inclusive environment which treats all community members equally and this is achieved through continuous strategic engagement;
- Enjoys a **sustainable local economy** that offers productive employment opportunities and good economic returns to its members in synergy with the principles of environmental sustainability and workforce localisation;
- Enjoys widening access to **social infrastructure**, such as for example water, sanitation, and education.

The Company will seek to contribute to the development of **sustainable communities** by supporting a sustainable local economy, which is continuously enhanced through access to social infrastructure; that is inclusive and equitable; and



that is built on the foundations of trusting relationships and partnerships in continuous strategic engagement with all stakeholders.

The Company will provide its workforce with opportunities to support its CSR Activities through volunteerism to connect with the local community and create social and business impacts.

III. DEFINITION

BAL's CSR Policy has been framed on the guidelines of Section 135 of the Companies Act 2013 (hereafter, Act) and its CSR Activities are in line with Schedule VII of the Act. Through this CSR Policy, the Company proposes to adopt short-, medium- and long-term CSR Activities.

1. "Board" means the Board of Directors of the Company.
2. "Company" means BALASORE Alloys Limited.
3. "CSR Activities" means such programs and projects as may be approved by the Board in terms of this CSR Policy.
4. "CSR Board Committee" means a committee constituted by the Board of Directors as defined under paragraph IV (1) in terms of Section 135 of the Act and the CSR Rules.
5. "CSR Rules" means the Companies (Corporate Social Responsibility Policy) Rules, 2014.
6. "CSR Expenditure" means the amount recommended by the CSR Committee to be incurred on the CSR Activities in India in terms of the Act and the CSR Rules as approved by the Board from time to time.
7. "Director" means a member of the Board of the Company.
8. "CSR Strategic Committee" means an implementation committee as defined under paragraph IV (3).
9. "Net Profits" 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 (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.
10. "Society" means a society registered under the Societies Registration Act, 1860 or any other applicable law in India.
11. "Trust" means a trust registered under the Indian Trusts Act, 1882 or any other applicable law in India. Any term not defined above, shall have the meaning assigned to it under the Act or the CSR Rules.



IV. IMPLEMENTATION OF THE CSR POLICY

The Company's Board of Directors shall be responsible for implementing the mandate of the CSR Policy and shall ensure that the CSR Activities are carried out in accordance with the CSR Policy read with the Act and CSR Rules. The CSR Committee of the Board will govern and review the CSR of the Company from time to time. The CSR Committee will recommend the Annual Strategic Plan for CSR to the Board for its approval.

1. The CSR Committee of the Board

The CSR Committee of the Board shall consist of three or more Directors amongst which one shall be an Independent Director. The current composition of the CSR Committee of the Board is as follow:

Dr. Asish K Bhattacharyya	Non-executive, Independent	Chairman
Mr. K.P. Khandelwal	Non-executive, Independent	Member
Prof. S.K. Majumdar	Non-executive, Independent	Member
Mr. Anil Sureka	Executive, Non-independent	Member

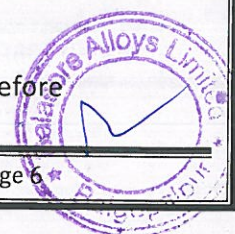
The CSR Committee of the Board shall:

- Recommend to the Board the CSR Policy and the Annual Strategic Plan which shall indicate the CSR Activities to be undertaken by the Company as specified in Schedule VII of the Companies Act 2013 and the CSR Rules;
- Monitor the implementation of the CSR Policy and strategy of the Company from time to time;
- Monitor the outcome and impact of CSR activities;
- Promote a culture that emphasizes and sets high standards for CSR;
- All questions of interpretation or discrepancies which shall arise under, or as a result of, or pursuant to, or in connection with the implementation of the CSR Policy or any initiative or activities undertaken by the Company in terms of the CSR Policy, shall be referred to the CSR Committee for their inputs and the final decision/determination/ interpretation shall rest with the Board.
- Based on the scope of CSR Activities, the CSR Committee of the Board shall provide recommendations to the Board with respect to specific CSR Activities that may be undertaken by the Company.

2. The Board of Directors

The Board of Directors shall:

- Approve the CSR policy of the Company on the recommendation of CSR Committee of the Board;
- Ensure that the Company allocates at least 2% of its average net profits before taxes of the preceding three years towards CSR Activities



The CSR Strategic Committee is constituted for the purposes of implementing the CSR Activities approved by the Board. The CSR Strategic Committee shall be chaired by the Head of Business Excellence (BE) and shall comprise of senior management team members.

The CSR Strategic Committee shall:

- Approve the engagement of independent government registered NGOs with an established track-record of good practice in the field of CSR for baseline surveys, post-audit and social audit.
- Implement the approved CSR Activities;
- Monitor, review and report on the progress of CSR Activities;

The committee will provide company's workforce with opportunities to support company's CSR Activities through volunteerism to connect with the local community and create social and business impacts.

V. CSR APPROACH

The Company's CSR Activities revolve around six guiding principles:

1. **Impact** – All CSR activities will have well-defined KPIs to measure their impacts. For high impact projects, there will be independent, third-party assessment and feedback. This will be a key input for the continuous improvement of further CSR activities.
2. **Total Village Management(TVM) Methodology** – BAL's delivery of TVM will be based on strong business principles emerging out from sensitization, conditioning and innovation in the following key areas: (1) natural resource development; (2) women empowerment; (3) rural infrastructure; (4) health promotion; (5) renewable energy; (6) education; (7) community engagement; (8) capabilities/skills and livelihood development.
3. **Partnerships** – The Company will strive to forge strategic collaborations with CSR stakeholders in order to enhance the outreach of the Company's CSR activities.
4. **Short-term, Medium-term and Long-term Planning** – The needs of the community, assessed through baseline surveys, will be categorised in short-, medium-, and long-term planning categories. These will be addressed through appropriate activities and help plan for the future.
5. **Communication** – The Company will maintain effective channels of communication with all stakeholders, so that their feedback is analysed, responded to and, where appropriate, acted upon.



6. **Scalability** – In order to achieve sustainable communities, priority will be given to strategic projects that have the potential to scale up through incremental investments and volunteerism.

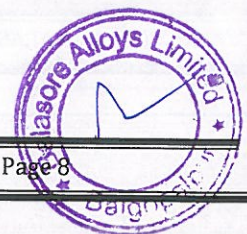
VI. CSR ACTIVITIES

The Board shall ensure that the CSR Activities that are undertaken by the Company are within the scope of the following activities:

1. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;
2. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
3. 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;
4. 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;
5. 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 and handicrafts;
6. Measures for the benefit of armed forces veterans, war widows and their dependents;
7. Training to promote rural sports, nationally recognised sports, Paralympics sports and Olympic sports;
8. Contribution to the Prime Minister's National Relief Fund, Chief Minister Relief Fund or any other fund set up by the Central Government or State Government for socio-economic development and relief and welfare of the Scheduled Caste, the Scheduled Tribes, other backward classes, minorities and women;
9. Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central & State Government;
10. Rural development projects;
11. Such other activities as may be specified under the Act or the CSR Rules from time to time.

The CSR Activities will be carried out in a manner that the preference is to undertake the CSR Activities in and around the local areas where the Company operates.

Based on the scope of CSR Activities, the CSR Committee of the Board shall provide recommendations to the Board with respect to specific CSR Activities that may be undertaken by the Company.



PRE - SELECTION CRITERIA FOR CSR ACTIVITIES

Chart 1: PROCESS FLOW CHART FOR CSR ACTIVITIES SELECTION

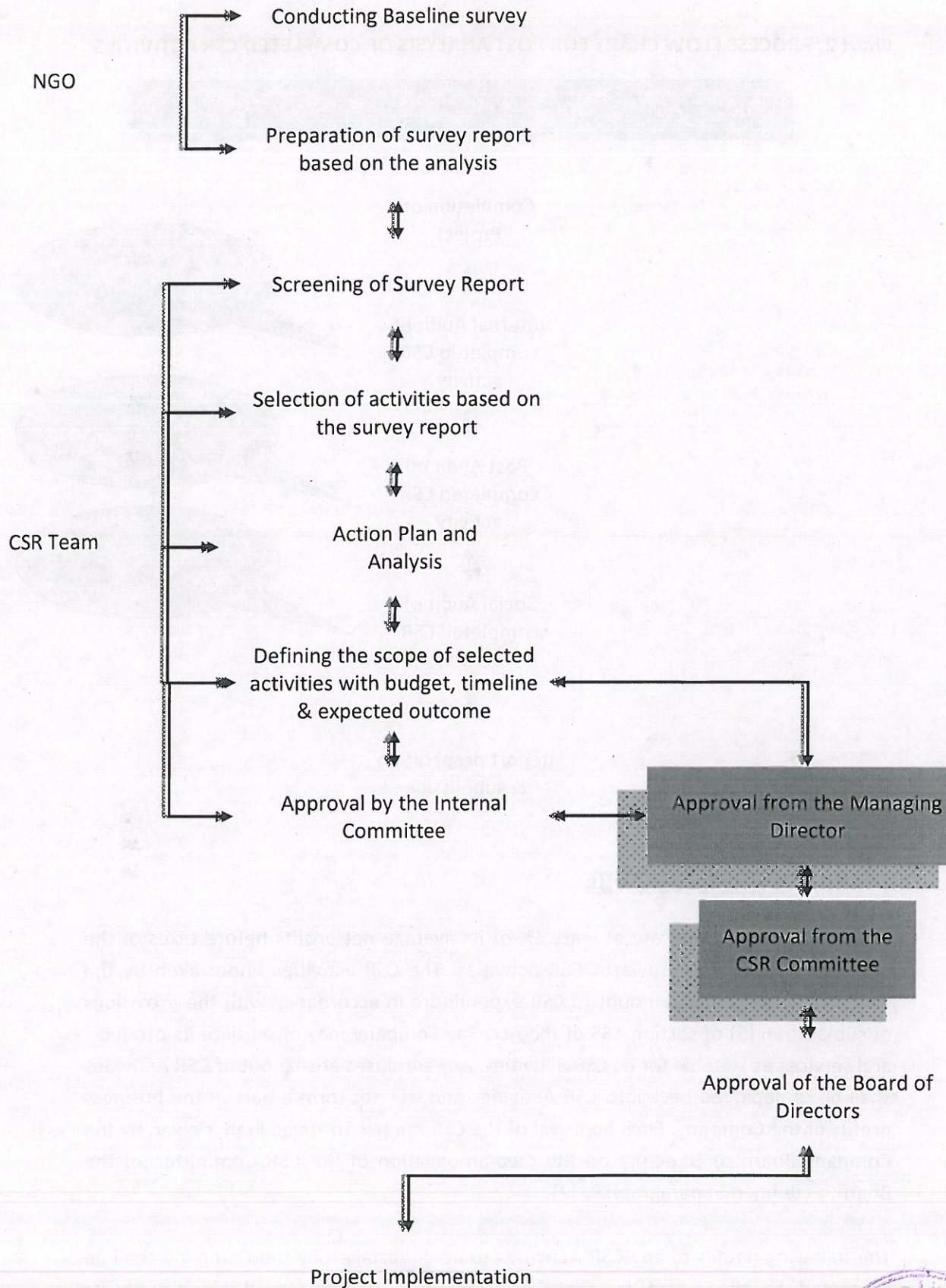
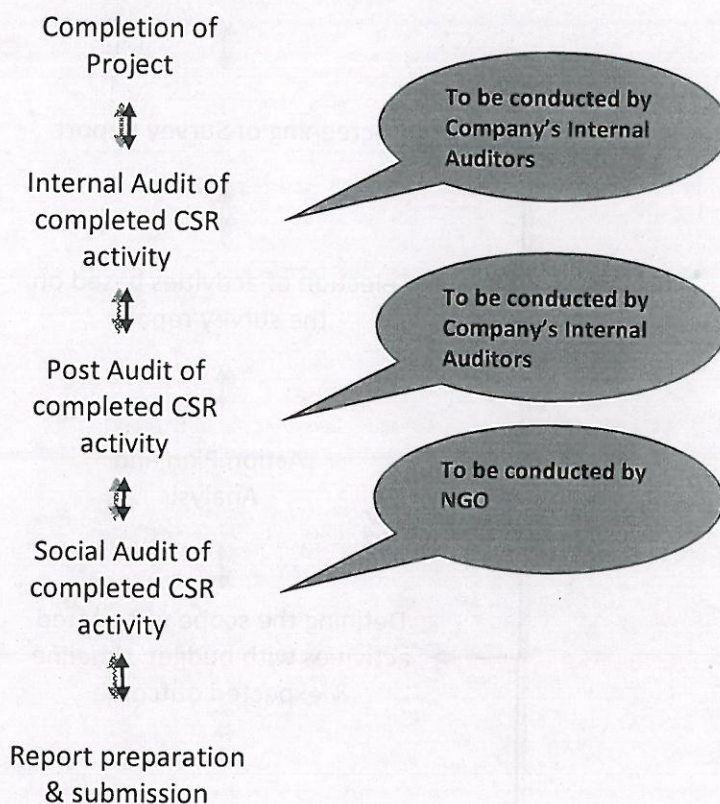


Chart 2: PROCESS FLOW CHART FOR POST ANALYSIS OF COMPLETED CSR ACTIVITIES

POST- ANALYSIS OF COMPLETED CSR ACTIVITIES

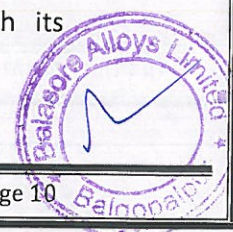


VII. CSR EXPENDITURE

The Company shall allocate at least 2% of its average net profits before taxes of the preceding three years, towards CSR activities. The CSR activities undertaken by the Company in India shall amount to CSR expenditure in accordance with the provisions of sub-section (5) of section 135 of the Act. The Company may also utilize its products and services as suitable for its CSR activities. Any surpluses arising out of CSR Activities shall be re-deployed back into CSR Activities and will not form a part of the business profits of the Company. Final approval of the CSR Annual Strategic Plan is given by the Company Board of Directors on the recommendation of the CSR Committee of the Board, as defined in paragraph IV (2).

The following details of any CSR Activities to be undertaken by the Company shall be presented to the Board by the CSR Committee of the Board along with its recommendations:

- (i) The objectives and expected results of the CSR Activity;



- (ii) The relevant sector and the nature of the CSR Activity;
- (iii) The focus area/ location for implementation of the CSR Activity;
- (iv) The amount to be allocated towards the CSR Activity;
- (v) The indicative timelines for completion of the CSR Activity;
- (vi) Whether the CSR Activity should be undertaken by the CSR Strategic Committee or any Implementing Agency or in collaboration with any other company; and
- (vii) Such other details as it may deem necessary.
- (viii) In case any of the CSR Activities to be undertaken are anticipated to be long term, then a detailed estimate of cost & implementation schedule or milestones should be submitted by the CSR Committee to the Board.

Based on the recommendations of the CSR Committee, the Board shall approve the following:

- (i) The specific CSR Activities that should be undertaken by the Company from time to time;
- (ii) The amount that should be expensed towards such CSR Activities;
- (iii) Whether the CSR Activities will be undertaken directly by the Company or through an Implementing Agency or in collaboration with any other agencies.

VIII. PROHIBITION AND EXCLUSION

BAL strictly prohibits the use of any part of the CSR budget to provide funds or gifts, or any other items of value directly or indirectly to anyone, in order to improperly influence any act or decision relating to any business of the company, including by assisting any party to secure an improper advantage. All actions of BAL CSR activities shall comply with all anti-corruption laws, rules, and regulations of India and Code of Conduct approved by the Board.

IX. AUDIT AND EVALUATION

The Annual CSR audit program will cover the following areas:

- 1. Effectiveness of the operating framework for CSR implementation;
- 2. Effectiveness of implementation of specific, ordinary & strategic CSR projects;
- 3. Adequacy of internal control and review mechanisms;
- 4. Reliability of KPIs;

X. MONITORING AND RECORD KEEPING

- 1. The CSR Committee of the Board shall maintain proper minutes of all its meetings.



2. The following documentation will be maintained by the CSR Strategic Committee:
 - 2.1. CSR Activities for the past & current financial years;
 - 2.2. Project Justification Summary for each identified project comprising CSR Activities.
3. To ensure effective implementation of the CSR Activities, a monitoring mechanism will be put in place by the CSR Strategic Committee.

XI. REPORTING PROCESS

As part of the risk assessment and audit planning process, the chief audit executive will consider the type of CSR report which will be issued by the Company. The chief audit executive will be aware of the full scope of CSR conducted by BAL.

The CSR Activities of the Company will be reported in the Annual Report of the Company and the Board Report in compliance with the Companies Act and the CSR Rules. Audited CSR reports will be presented to the CSR Committee of the Board, accompanied by quarterly progress reports.

XII. AMENDMENT

The Board of the Company may, subject to compliance with applicable law, at any time alter, amend or modify the CSR Policy as it deems fit to comply with the statutory obligation of the Company to undertake CSR Activities.

Dated: 14th Feb 2018



Anil Sureka (MD)

