



ONGC Petro additions Limited

Corporate Social Responsibility Policy of ONGC Petro additions Limited

(Under Section 135 of the Companies Act, 2013)

1.0 Preamble

Corporate Social Responsibility (CSR) Policy of ONGC Petro additions Limited (OPaL) has been made pursuant to provisions of Companies Act, 2013, and Companies (Corporate Social Responsibility Policy) Rules, 2014.

1.1 Objective and Applicability

1.1.1 This policy, which embraces the company's philosophy for portraying its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking social useful programs for welfare and sustainable development of the community at large.

1.1.2 The Policy has been approved at the 61st meeting of the Board of Directors held on 7th March, 2016.

1.2 Definitions

In this Policy unless the context otherwise requires:

1.2.1 'Act' means Companies Act, 2013;

1.2.2 'Board' means Board of Directors of ONGC Petro additions Limited;

1.2.3 "Company" means ONGC Petro additions Limited (OPaL);

1.2.4 "Corporate Social Responsibility (CSR)" means and includes but is not limited to:

(i) Projects or programs relating to activities specified in Schedule VII of the Act; or

(ii) Projects or programs relating to activities undertaken by the Board of Directors of OPaL in pursuance of the recommendation of the CSR Committee of the Board as per declared CSR policy of OPaL, subject to the condition that such policy shall cover subjects enumerated in Schedule VII of the Act.

1.2.5 'CSR Committee' means Corporate Social Responsibility Committee of the Board formed in accordance with provisions of Section 135 of the Act and Rules made thereunder;

1.2.6 'Net Profits' means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act subject to adjustment as per Section 135 of the Act and Rules made thereunder;



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1.2.7 'Policy' means 'Corporate Social Responsibility Policy of ONGC Petro additions Limited';

1.2.8 'Rules' means Companies (Corporate Social Responsibility Policy) Rules 2014.

1.2.9 'Schedule VII' means 'Schedule VII' of Companies Act, 2013;

Word and expressions used in this CSR Policy and not defined herein but defined in the Act shall have the meaning respectively assigned to them in the Act.

1.3 CSR Vision Statement and Guiding Principles

ONGC Petro additions Limited (OPaL), a joint venture company was incorporated in 2006, as a Public Limited Company under the Companies Act, 1956, promoted by Oil and Natural Gas Corporation Limited (ONGC) and co-promoted by GAIL and GSPC. The Company is developing a Greenfield Petrochemical Complex at Dahej SEZ-Gujarat. To achieve this, we make effective use of technology, while being sensitive towards the environment at all times.

OPaL aspires to establish a suitable relationship with community at large for mutual benefit.

OPaL is committed to achieve leadership role in Health, Safety and Environment management through continual improvement by innovative and sustainable endeavours with all levels of resources support.

OPaL believes that protection of environment and ecology, the safety and occupational health of employees and stakeholders will always be core value along with the organizational mission and vision.

We don't just plant-but create a wide socio-environmental impact. Together with Corporates we embark upon a journey which starts with planting trees, becomes visible as they grow taller and shall touch many hearts as their roots get deeper into the ground.

Our CSR Mission:

Through sustainable measures, actively contribute to the Social, Economic and Environmental Development of the community at large in which we operate ensuring participation from the community and thereby create value for the nation.



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2.0 CSR Activities

As per Section 135 of the Companies Act, 2013 read with rules made thereunder the CSR activities shall include activities/projects/programs as specified in **Schedule VII** of the Companies Act, 2013 (as modified from time to time) which are as under:

- (i) eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- (iii) 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;
- (iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;
- (v) 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;
- (vi) measures for the benefit of armed forces veterans, war widows and their dependents;
- (vii) training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- (viii) Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Schedules Castes, the Schedules Tribes, other backward classes, minorities and women;



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- (ix) Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- (x) Rural development Projects;
- (xi) Slum area development.

Explanation.- For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

3.0 Identification of Core areas/ Strategic initiatives

The Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities.

The Company will conduct CSR activities preferably in and around the area of its operations presently being Dahej, in Gujarat. However, the Board/Committee may identify such other areas in addition to above, as it may deem fit, for undertaking CSR activities.

OPaL shall take into account following broad principles while undertaking any CSR activity:

- 3.1 Consult pro-actively with the community and other key stakeholders for understanding needs and designing initiatives for the social well-being of the community. Wherever necessary, the local authorities and specialized agencies expert in their area of operation should also be consulted and involved.
- 3.2 The main focus of the CSR Policy would be undertaking the activities that benefit the society as a whole as well as the activities that will help to reverse any adverse impact on the environment and ecology and to promote sustainability.
- 3.3 CSR activities shall be undertaken as projects, programs (either new or ongoing) excluding activities which are required to be undertaken in pursuance of the normal course of business of the Company.
- 3.4 CSR projects or programs or activities which are undertaken in India only shall amount to CSR Expenditure.



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4.0 CSR Budget and Expenditure

- 4.1 CSR Committee will identify suitable projects for implementation in line with policy approved by the Board and requirements laid down under the Act.
- 4.2 The CSR Budget shall be fixed for each financial year as part of annual budget of the Company. All expenditure to be incurred on the activities involved in the need assessment/baseline study, planning, implementation, monitoring and impact assessment of the projects will be included in the budget.
- 4.3 The list of CSR projects/programmes which the Company plans to undertake during the implementation year will be laid down before the Committee at the beginning of each financial year alongwith the budget, specifying modalities of execution and implementation schedules for the same.
- 4.4 The Company would spend not less than 2% of the average Net Profits of the Company made during the three immediately preceding financial years. The surplus arising out of the CSR activity will not form part of business profit of the Company. The corpus would thus include 2% of average net profits, as aforesaid, any income arising there from and surplus arising out of CSR activities if any.
- 4.5 CSR activities will be approved by the Board on the recommendations of the CSR Committee.
- 4.6 All reasonable efforts will be made to ensure that the annual CSR allocation is fully utilized in the respective year. However, if the Company fails to spend mandatory allocation as per Act, the Board of Directors shall, in its report under clause (o) of sub-section (3) of Section 134 of the Act, specify the reasons for not spending the amount.
- 4.7 Further, if the Company ceases to be covered under sub-section (1) of Section 135 of the Act for three consecutive Financial Years, than it shall not be required to, comply with the provisions laid down under sub-section (2) to (5) of the said Section, till such time it meets the criteria specified in sub-section (1) of Section 135 of the Act. During this period the Company may opt to undertake CSR activities on voluntary basis.
- 4.8 Tax treatment of CSR spend will be in accordance with the Income Tax Act, 1961 as may be notified by the Central Board of Direct Taxes (CBDT) from time to time.



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- 4.9 Unspent CSR mandatory budget of any year, if any, along with any surplus arising out of any CSR activity undertaken will be carried forward and shall be available for spending on CSR activities along with the budget for the succeeding year.
- 4.10 The following expenditure shall not be considered CSR Expenditure for the purpose of the Act and Rules made thereunder:
- (i) Expenditure on CSR projects/programs/activities undertaken outside India;
 - (ii) The CSR projects/programs/activities that benefit only the employees of the Company and their families;
 - (iii) Contribution of any amount directly or indirectly to any political party under Section 182 of the Act;
 - (iv) Activities undertaken pursuant to normal course of business of the Company;
 - (v) Any activity not approved/ratified by CSR Committee/Board or official/authority delegated by Committee/Board;
 - (vi) Any activities not covered in Schedule VII of the Companies Act, 2013.

5.0 Mode of Implementation

- 5.1. CSR programs or projects under the Policy, will be implemented either -
- i) directly by the Company; or
 - ii) through any other Registered Trust, Society or Section 8 Company (i.e. Company registered under Section 8 of the Act), established by the holding, subsidiary and associate company of the Company; or
 - iii) through any other Registered Trust, Society or Section 8 Company, not being established by the holding, subsidiary and associate company of the Company, with an established track record of at least three years in carrying on activities in related areas; or
 - iv) in collaboration with other companies; or
- combination of one or more of the above.
- 5.2. In case one or more CSR projects or programme(s) are undertaken in collaboration with any other company and/or society, trust or Section 8 company, clear demarcation with respect to responsibility, contribution, implementation, monitoring etc. of each collaborator shall be established.
- 5.3 Implementing Agency shall be selected on the basis of their experience and track



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record. The prescribed guidelines for selection of implementing agencies are given below:

- It should be registered/incorporated under the Societies Registration Act, 1860 or Indian Trust Act, 1882 or Section 8 of Companies Act, 2013.
- It should provide a copy of its by-laws/Memorandum and Articles of Association.
- It may have a permanent office in Vadodara/Bharuch or any other part of India and preference should be given to working in Vadodara/Bharuch for past three years.
- It should have a governance structure – A functional board with regular board meetings.
- It should have the required manpower and expertise to handle the initiative.
- It should provide information on the projects undertaken by it till date.
- It should have a clean track record. It should not have been blacklisted for unethical work or misappropriation of funds etc. by any of the Government bodies.
- It should have an established track record of at least three years in undertaking similar programmes or projects or activities.
- It should have a bank account.
- It should fulfil Income Tax requirements.
- It should have Income Tax exemption certificate.
- It should provide information on its funding sources.
- It should be able to provide a copy of the audited financial statement for the previous three years.
- It should provide a copy of the annual report of previous three years.
- Have requisite framework to report progress/status of the projects on a quarterly basis on agreed parameters.
- Maintain a required level of auditable records on the CSR initiatives conducted in conjunction with OPaL as agreed mutually.

A copy of the relevant documents in support of the above has to be submitted to OPaL



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either with the proposal or on approval of the project.

6.0 CSR Committee

- 6.1 The CSR Committee will consist of three or more Directors, out of which at least one shall be independent director. The Board of the Company may nominate other directors on the CSR Committee in addition to above in accordance with the requirement of the Companies Act, 2013 and Rules made thereunder.
- 6.2 The CSR Committee may function with the help of CSR Sub-Committee consisting of such members of the Company as may be nominated by the CSR Committee.

7.0 Monitoring Mechanism

- 7.1 The execution of identified CSR projects, programs and activities under it shall be carried out by the Company with the help of CSR Sub-Committee/specialized agencies under the superintendence and guidance of CEO-OPaL who will be one of member of Committee or such other person as may be authorized by the Committee.
- 7.2 The Board level CSR Committee shall be supported by the CSR Sub-Committee which shall have the following as members-
- (i) CEO-OPaL
 - (ii) CFO-OPaL
 - (iii) COO-OPaL
 - (iv) Head- HR

Company Secretary shall act as convener of the CSR Sub-Committee.

- 7.3 The Sub-Committee shall submit its report on a quarterly basis to the CSR Committee. The CSR Committee shall monitor the administration of the CSR projects or programs or activities undertaken by CSR Sub-Committee.
- 7.4 Appropriate documentation with respect to execution of CSR activities, will be ensured by CSR Sub-Committee on a regular basis which shall also include a Completion Report/Certificate from beneficiary listing, *inter-alia*, the impact and benefit of the CSR activity and number of person benefitted. The report shall be made available to the CSR Committee/Board as and when required.



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7.5 The CSR Sub-Committee or persons authorized by CSR Committee will conduct due diligence checks on the CSR projects on quarterly basis and to report anomalies, if any, immediately.

8.0 Reporting

OPaL will make a full report of its CSR projects/programmes undertaken during the previous year in the format prescribed for the “Annual Report on CSR Activities to be included in the Board’s Report” in the Companies (CSR Policy) Rules, which is in consonance with Section 134(3)(o) of the Act.

9.0 Display of CSR activities on Company’s Website

CSR Policy of the Company shall be displayed on the Company’s website.

10.0 General

10.1 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 by the Government, from time to time.

10.2 OPaL reserves the right to modify, cancel, add or amend any of these Rules partly or completely.

10.3 OPaL shall take such necessary steps, as may be deemed necessary, for building CSR capacities of its own personnel and/or those of the implementing agencies engaged for CSR activities, through Institution(s) authorized in the said behalf, from time to time.