



INDRADHANUSH GAS GRID LIMITED

CSR POLICY

1.0 BACKDROP

- 1.1 This Policy may be called the “CSR Policy” of IGGL;
- 1.2 “Act” means the Companies Act, 2013 (18 of 2013);
- 1.3 “Administrative overheads” means the expenses incurred by the company for ‘general management and administration’ of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;
- 1.4 The “CEO” may be referred as the “Chief Executive Officer” of IGGL;
- 1.5 The “CHRO” may be referred as the “Chief Human Resource Officer” of IGGL;
- 1.6 “Corporate Social Responsibility (CSR)” means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules;
- 1.7 “CSR Committee” means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act;
- 1.8 “CSR Policy” means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;
- 1.9 Flagship Projects: shall mean those projects which have been designated so in the Annual Action Plan and involve long- term commitment from IGGL on a year-on-year basis and shall be accorded enhanced significance.
- 1.10 “net profit” means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:-
- (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: Provided that in case of a foreign company covered under these rules, net profit means the net profit of such company as per profit and loss account prepared in terms of clause (a) of sub-section (1) of section 381, read with section 198 of the Act;
- 1.11 The “Steering committee” shall mean the “CSR Steering committee” of IGGL.
- 1.12 This policy encompasses the company’s philosophy for delineating its responsibility as a *corporate citizen* and lays down the guidelines and mechanism for undertaking socially useful programmes for the welfare & development of the community at large and is titled as the “**CSR Policy**” of IGGL.
- 1.13 This policy shall apply to all CSR initiatives and activities taken up at the various work-centers and locations of IGGL, for the benefit of different segments of the society, in

consonance with the provisions of Companies Act, 2013 and its corresponding Rules.

2.0 THE POLICY

IGGL's "CSR Policy" shall incorporate the following salient points:

2.1 VISION, MISSION, OBJECTIVES

Vision: Committed to socio economic development in the areas of its operation.

Mission: To identify and implement welfare projects or programmes or activities based on genuine needs of people and to evaluate the effect of it.

Objectives: The Objectives shall be:

- To ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders.
- To take up programmes that benefit the communities in & around its workcentres and results, over a period of time, in enhancing the quality of life & economic well-being of the local populace.
- To maximize the company's overall impact on the society and stakeholder.
- To generate, through its CSR initiatives, goodwill and pride for IGGL among stakeholders and help reinforce a positive and socially responsible image of IGGL as a corporate entity.

2.2 CONFORMITY TO STATUTORY REQUIREMENT

The Policy shall conform to stipulations under Section 135 of the Companies Act 2013, the CSR Rules issued by the Ministry of Corporate Affairs and guidelines on CSR and Sustainability issued by DPE and other relevant provisions/ notifications as issued from time to time by the Government.

2.3 RESOURCES

Every year, IGGL will spend at least 2% of average net profit made by the company during the three immediately preceding financial years on CSR activities, in accordance with the provisions of the Companies Act 2013.

3.0 CSR STRUCTURE

3.1 IGGL's CSR initiatives shall be administered through "CSR Steering Committee" at execution level and "CSR Committee of the Board" at Apex Level.

3.2 COMPOSITION, ROLES & RESPONSIBILITIES OF THE CSR COMMITTEE OF THE BOARD

The CSR Committee of the Board shall be the Apex Level Committee for CSR initiatives:

- The Committee shall recommend the 'CSR Policy' for approval of the Board.
- The Committee shall recommend the annual expenditure for CSR activities for Board approval every year.
- The Committee shall monitor approved policy, review performance of activities on half-yearly basis and keep the Board informed accordingly.
- The Annual Plan on CSR shall be recommended by this committee for approval of the

Board.

- The Committee shall advise and guide the Steering Committee on matters related to CSR.

3.3 According to Section 135(9) of the Companies Act, 2013, if the expenditure mandated for a company in the Financial Year is less than fifty lakh rupees, the obligation to establish a Corporate Social Responsibility Committee is not applicable. In such cases, **the responsibilities assigned to the Committee under the Act will be carried out by the Board of Directors of the company, until the CSR Committee of the Board is constituted.**

3.4 The CSR committee of the Board shall be constituted as and when required as per the Act.

3.5 COMPOSITION, ROLES & RESPONSIBILITIES OF CSR STEERING COMMITTEE

The CSR Steering Committee shall be a multi-functional committee comprising of four or more executives (not below the grade of E3). The CSR Steering Committee shall be chaired by CHRO. The steering committee is to be constituted/reconstituted with approval of CEO. This Committee shall be responsible for planning, actual implementation and monitoring of CSR activities. The responsibilities of this Committee shall comprise of the following:

- Identification of CSR projects/ programmes/ activities as per selection criteria mentioned at point number 5.0.
- Identify agencies capable of undertaking implementation of CSR activities on behalf of the Company as and when required, as per provisions of Companies Act 2013 and CSR Rules.
- Liaise with government authorities, public and private agencies.
- Monitor implementation of projects/ programmes/ activities under CSR and report to CSR Committee of the Board or to Board (if CSR committee of the Board is not available) on half-yearly basis.
- Any other matters pertaining to CSR.
- Shall be responsible for compliance of CSR in IGGL.

3.6 ROLES & RESPONSIBILITIES OF OFFICER-IN-CHARGE (CSR)

The Officer-in-charge of CSR will be assigned by CHRO, who will also be a member of the Steering Committee and shall carry out the following activities:

- Compile the annual CSR budget and expenditure and obtain necessary approval from the Company's Board.
- Document CSR programmes, maintain books of account on expenditure, ensure availability of information in public domain, publish 'Annual Report on CSR' as part of Board's Report.
- Obtain recommendation of the CSR Committee of the Board (if constituted)/CSR Steering Committee on "Annual Plan for CSR" for approval of the Board. The Plan shall highlight major activities planned for the year, resource allocation, implementation timelines, execution & evaluation methodology and intended outcomes as per provisions of Companies Rules.
- Arrange structured review of performance on half-yearly basis by the CSR Committee of the Board (if constituted)/CSR Steering Committee.

4.0 FORMULATION OF ANNUAL ACTION PLAN

The CSR Committee of the Board (if available)/CSR Steering Committee shall formulate and recommend to the Board, an annual action plan, in pursuance of its CSR Policy, which shall include the following:

- The list of CSR projects or programmes to be undertaken in areas or subjects specified in Schedule VII of the Act.
- The manner of execution of such projects or programmes
- The modalities of utilization of funds for the projects or programmes
- The modalities of implementation schedule for the projects or programmes
- Reporting mechanism for the projects or programmes
- Details of need and impact assessment

Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

5.0 SELECTION OF CSR ACTIVITIES

5.1 IGGL shall undertake CSR projects or programmes targeted at upliftment of beneficiaries belonging to the under privileged section of the society. The overarching goal of IGGL's CSR initiatives is socio- economic empowerment of people from all disadvantaged groups, as per the intent and provisions of Schedule VII of Companies Act, 2013.

5.2 Activities pursued by IGGL under CSR shall interalia relate to suitable activities specified under Schedule VII of the Companies Act 2013, stated at **Annexure-I**.

5.3 Efforts will also be made to implement flagship schemes focusing on healthcare, education, sanitation, sports, literature, assistance to differently-abled persons, disaster management, among others.

5.4 The CSR Steering Committee shall identify the projects/ programmes/ activities for implementation on the basis of

- need assessment surveys through in-house or external expertise,
- proposals received from district authorities and
- discussions with local representatives, civic bodies and citizen forums.

5.5 If required, new CSR activities/ projects can be taken up during the course of a year, in addition to CSR activities already incorporated in the annual plan, with the approval of the Board.

5.6 Local Area

Focus of IGGL's CSR activities shall preferably be in the area within 10 km radius of IGGL's operational areas and work centers. These two areas shall be deemed as 'local areas' in the parlance of pursuing CSR initiatives.

6.0 IMPLEMENTATION OF CSR ACTIVITIES

6.1 All major CSR programmes/ projects/ activities shall be executed in project mode and preferably be completed within the same financial year.

6.2 CSR Steering Committee shall be in charge of implementing approved projects in line with the provisions of the Act, Rules and other Govt guidelines pertaining to CSR.

6.3 All CSR activities shall be implemented in a transparent manner with fairness of approach, maintaining highest ethical standards.

7.0 MONITORING

7.1 The progress of CSR projects or programmes or activities under implementation will be reported to IGGL Board on a half-yearly basis.

CSR Steering Committee → CSR Committee of the Board → Board

7.2 To ensure effective implementation of the CSR programmes undertaken, the following monitoring mechanism will be instituted to ensure transparency. Monitoring mechanism will be worked out for respective project / program by the CSR Steering Committee. This shall involve thorough review of CSR Projects or programmes , but shall not limited to following:

- **Half-yearly Progress Report** – A half-yearly Progress Report on implementation of CSR projects or programmes shall be furnished to CSR Committee of the Board and shall include site visits undertaken, Expenditure Statement on CSR, major events, Media coverage, plan for the next half of the year and issues to be deliberated, if any, etc.
- **Site Visits** – Regular site visits shall be conducted by CSR Steering Committee. A record of each site visit conducted by CSR Steering Committee shall be maintained by officer in charge. Slippages noticed, if any, shall be brought to the notice of the concerned for corrective action.
- Maintaining documentary evidence including photographs, films and videos.
- Other in-house monitoring mechanisms, as determined by CSR Steering Committee.
- To obtain feedback from beneficiaries about the programmes, wherever applicable

8.0 IMPACT ASSESSMENT

Impact Evaluation, if required, shall be carried out in terms of purview of Companies Act 2013 and CSR Rules.

9.0 UNSPENT AMOUNT

If IGGL fails to spend the CSR Expenditure [unless the unspent amount relates to any ongoing project] for any financial year then it shall transfer such unspent amount to a Fund specified in Schedule VII of the Companies Act, 2013, within a period of six months of the expiry of the financial year.

Any amount remaining unspent pursuant to any ongoing project, fulfilling such conditions as may be prescribed under the Companies Act, 2013, undertaken by IGGL, 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 IGGL 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 IGGL 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, IGGL 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.

10.0 EXCESS CSR EXPENDITURE

If IGGL spends an amount in excess of requirement for any financial year then such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that –

- the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any.
- the Board of the IGGL shall pass a resolution to that effect.

11.0 DELEGATION OF AUTHORITY

The CEO shall have the authority to approve CSR expenditures up to INR 2.00 lakhs per project or programme, as outlined in the Annual Action Plan approved by the Board. For expenditures exceeding INR 2.00 lakhs per project or programme, the CSR Committee of the Board/ Board of Directors shall have the authority to approve.

12.0 COMMUNICATION STRATEGY

The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.

13.0 GENERAL PROVISIONS

13.1 The following shall not be considered as CSR activities of IGGL:

- Activities undertaken in pursuance of normal course of business of IGGL;
- Any activity undertaken by IGGL outside India except for training of Indian sports personnel representing any State or Union territory at the national level or India at International level;
- Contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- Activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages 2019 (29 of 2019).
- Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- Activities carried out for the fulfilment of any other statutory obligations under any law force in India.
- Contribution to corpus of any entity.

13.2 In case of any query on interpretation of any clause of this policy and also in respect of matters not covered herein, a reference will be made to HR Department, who in turn will examine the matter and put up the same for approval of CEO. Decision of CEO in

such matter shall be final.

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

13.4 Further, these are in the nature of administrative instructions to facilitate implementation of CSR projects. Any modification, as may be required from time to time, shall be affected with the approval of Board with due recommendation of CSR Committee of the Board.

13.5 Act & Rules shall take precedence over Policy, in case of ambiguity or conflict.

14.0 REVIEW OF CSR POLICY

The CSR Policy shall be reviewed whenever the need is felt during execution of CSR activities. Approval to the reviewed clauses of the CSR Policy shall be sought from the Board on recommendation of CSR Committee of the Board.

Annexure-I

Schedule VII of Companies Act 2013

Activities which may be included by companies in their Corporate Social Responsibility Policies
Activities relating to: —

(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach 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 art and handicrafts;

(vi) measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;

(vii) training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports

(viii) contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

(ix) (a) Contribution to incubators or research and development projects 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; and

(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defence Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).]

(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.

(xii) disaster management, including relief, rehabilitation and reconstruction activities.
