

INDIAN STRATEGIC PETROLEUM RESERVES LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

I. BACKGROUND

With effect from April 1, 2014, every company, private limited or public limited, which either has a net worth of Rs 500 crore or more or a turnover of Rs.1,000 crore or more or net profit of Rs 5 crore or more, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. The CSR activities to be undertaken by the company are specified in Schedule VII of the Companies Act, 2013.

II. CORPORATE SOCIAL RESPONSIBILITY POLICY OF ISPRL

A. CSR OBJECTIVES

1. To directly and indirectly take up programmes that benefit the communities in and around its work centres and results, over a period of time, in enhancing the quality of life and economic well being of the local populace.
2. ISPRL will implement CSR activities to empower weaker, less privileged and marginalized sections of the society to create social capital.
3. To generate, through CSR initiatives, a community goodwill for ISPRL and help reinforce a positive and socially responsible image of ISPRL as a corporate entity.

B. ORGANIZATIONAL STRUCTURE OF ISPRL FOR CSR ACTIVITIES

(i) CSR Committee

ISPRL will have a Board Sub-Committee herein after referred to as CSR Committee consisting of three or more Directors out of which at least one shall be an independent director.

The role/responsibilities of the CSR Committee include:

1. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act 2013.
2. Recommend the amount of expenditure to be incurred on the activities referred to in clause (1) above.

3. Monitor the Corporate Social Responsibility Policy of the company from time to time
4. Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.

(ii) Board of Directors

The Board of Directors shall :

- a) Approve CSR Policy for the Company after taking into account the recommendations made by the CSR Committee
- b) Ensure disclosing contents of the policy in its report / website.
- c) Ensure that Company spends at least 2% of its average profits during the three immediately preceding financial years in pursuance of its CSR policy
- d) Ensure that activities as are included in the CSR policy are undertaken by the Company.
- e) Ensure that Company shall give preference to the local area and areas around its operations for spending the amount earmarked for CSR activities;
- f) If the Company fails to spend such amount, the Board shall, in its report specify the reasons for not spending the amount.

(iii) CSR Activities:

- a) Schedule VII of the Companies Act, 2013 has given a list of activities which shall be taken up by companies for their CSR Policy and to include all such activities which may fall within its purview in view of any amendment in the Companies Act, 2013 or CSR rules.
- b) The CSR activities will be undertaken by the Company, as per its stated CSR Policy, as projects or programs or activities excluding activities undertaken in pursuance of its normal course of business.
- c) Company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs in accordance with these rules.
- d) CSR projects or programs or activities undertaken in India only shall amount to CSR expenditure.
- e) The CSR projects or programs or activities that benefit only the employees of the company and their families shall not be considered as CSR activities.

(iv) List of CSR Activities to be carried out by Company

The Company shall carry out CSR activities as per Schedule VII of the Companies Act, 2013 as amended from time to time.

(v) CSR Management Committee

The Company shall constitute a CSR Management Committee. The role / responsibilities of CSR Management Committee include :

1. Review and examine the proposals for CSR projects /programs / activities received from various agencies and recommend the eligible activities to the CSR Committee for approval.
2. Monitor the implementation of CSR activities / programs.

The Members of the CSR Management Committee are :

- Dy. CEO, ISPRL
- CFO, ISPRL
- Head P&A, ISPRL

The Committee may decide to invite Head of respective location for the meeting w.r.t. that location.

C. FINANCIAL RESOURCES

Annual CSR Budget

In alignment with The Companies Act, 2013, ISPRL shall earmark as CSR Budget, at least 2% of the average of net profits of the company made during the three immediately preceding financial years.

D. EXECUTION

The Board of the Company may decide to carry out CSR activities, as approved by CSR Committee, either by itself or through an external agency / organization. In case CSR programs / activities are implemented through an external agency / organization, a minimum eligibility criteria, as mentioned below shall be adopted :

1. It must be a registered society, trust, company or any specialized agency having minimum three years of experience, post registration, in handling activities of similar nature.
2. Experience of working with any Government Body or Public Sector Enterprise will be preferred.

However, the selection authority can stipulate any other qualification on mandatory basis from the applicants while selecting the implementing partners.

The company shall maintain the details of the asset (s) created and also inform about the maintenance of such asset (s).

E. CSR EXPENDITURE

CSR expenditure shall include all expenditure including contribution to corpus, or on projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act, 2013.

F. CORPORATE IMAGE

All efforts would be made to ensure appropriate visibility of ISPRL's contribution to the Community and Nation.

G. DOCUMENTATION AND REPORTING

1. The company shall include a report in its Annual Report on every CSR activity undertaken during the year in accordance with the Rule 8 of Companies (Corporate Social Responsibility) Policy Rules, 2014. The report has to be signed by CEO & MD, ISPRL and Chairman of CSR Committee.
2. The Policy on CSR would be uploaded on the website of the Company.