

CSR POLICY



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CORPORATE SOCIAL RESPONSIBILITY POLICY

A. 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 a turnover of Rs. 1,000 crore or net profit of Rs 5 crore during the immediate preceding financial year (the eligible companies), needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities in areas or subject specified in Schedule VII of Companies Act, 2013.

The eligible companies are also required to constitute a CSR Committee and formulate a CSR policy for selection, implementation and monitoring of their CSR activities.

This document may be read with the provisions of Companies Act, 2013 and Rules thereunder, together with any subsequent amendments thereof which may be notified by Ministry of Corporate Affairs (MCA) from time to time.

B. CSR POLICY

1. CSR Objectives:

To empower the weaker, less-privileged and marginalised sections of the society giving preference to local communities in and around areas of Company operations related to LPG transportation through cross-country underground pipeline.

2. CSR Focus Area Projects / Programs /Activities:

In accordance with the requirements under the Companies Act, 2013 (the Act) and the rules/ regulations framed there under and circulars/ clarifications issued thereunder (collectively, “applicable law”), IHB’s CSR activities, amongst others, will focus on:

- a. **Eradicating Hunger, Poverty, Malnutrition**
- b. **Health and Sanitation**
- c. **Education and skill development**
- d. **Rural Development Projects**
- e. **Development of children, women and weaker sections**

Provided further that any other projects/programs activities in areas other than the above will be undertaken with the prior approval of the Board.

3. CSR Implementation

The Company can undertake CSR activities either by itself or through the following entities eligible to undertake CSR activities under applicable law:-

- a. A company established under Section 8 of the Act, or a registered public trust or a registered society, registered under Section 12A and 80G of the Income Tax Act, 1961 (43 of 1961) established by the Company, either severally or along with any other company, or
- b. 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
- c. Any entity established under an Act of parliament or a State legislature: or
- d. A company established under Section 8 of the Act or a registered public trust or a registered society, registered under Section 12A and 80G of the Income Tax Act, 1961.
- e. Any entity, covered above that intends to undertake any CSR activity, should also meet the minimum eligibility criteria as follows:
 - i. Registration with the Central Government by filing the form CSR-1 electronically with the Registrar.
 - ii. Minimum three years of experience post registration of entity and established track record in handling activities of similar nature.
 - iii. Experience of working with any Government Body or Public Sector Enterprise will be preferred.

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

4. Financial Resources:

- a. The Company shall earmark a minimum of 2% of the average of net profits of the Company made during the three immediately preceding financial years in alignment with the Companies Act, 2013 for its CSR activities.
- b. Amount spent in excess of minimum requirement as per Section 135 of the Act, can be set off against the requirement to spend 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.
- c. Administrative Overheads shall not exceed 5% of the total CSR expenditure. Administrative Overheads means expenses incurred for 'general management and administration' of Corporate Social Responsibility function but shall not include the

expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme.

5. Monitoring and Reporting:

- a. The Board of the Company will monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.
- b. The impact assessment (as per extant CSR Rules) report shall be placed before the Board of Directors and shall be annexed to the annual report on CSR.

6. Disclosures:

- a. In terms of Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014; the Board of Directors of the Company shall mandatorily disclose the following on the official website of the Company:
 - i. CSR Policy;
 - ii. Composition of the CSR Committee; and
 - iii. Projects approved by the Board.
- b. The Board's Report of the Company, pertaining to a financial year shall include an annual report on CSR containing particulars as specified in the Companies Act, 2013 or other applicable laws.
- c. If the Company fails to spend during a financial year, the amount specified for Corporate Social Responsibility under the Companies Act, 2013 and Rules made thereunder, as may be amended from time to time, the Board shall, in its report specify reasons for not spending such amount.
