IndianOil Skytanking

CORPORATE SOCIAL RESPONSIBILITY POLICY

Revision 1: Amendments to the CSR Policy pursuant to Companies (CSR Amendment Rules, 2021) approved by the CSR Committee and Board of Directors at its meeting held on 21.04.2021.

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FOREWARD

This document articulates the Company's Corporate Social Responsibility (CSR) Policy (the "Policy"). This Policy applies to all CSR activities of the Company and conforms to the requirements of Section 135 of the Companies Act 2013 (as amended from time to time), rules notified thereunder and any other applicable statutory provision(s) (collectively referred hereafter as "CSR Provisions").

1.0 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 activities. The CSR activities should not be undertaken in the normal course of business and must be with respect to any of the activities mentioned in Schedule VII of the 2013 Act.

The policy on approval by the Board of Directors shall become a statement containing the approach and directions given by the Board including guiding principles for selection, implementation and monitoring of activities as well as formulation of action plan.

2.0 CSR VISION:

To pursue vision of IOSPL by addressing social concerns and making positive changes in the lives of stakeholders and communities through CSR programme and social initiatives.

3.0 CSR OBJECTIVE:

The main objective of CSR policy is to lay down guidelines for the Company to make CSR a key business process for sustainable development. It aims at supplementing the role of the Government in enhancing welfare measures of the society based on the immediate and long term social and environmental consequences of their activities.

4.0 DEFINITIONS:

In this Policy, unless the context otherwise requires:

4.1 "Act" shall mean the Companies Act, 2013 including any modifications, amendments or re- enactments thereof.

4.2 "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;

4.3 "Board" or "the Board" means, the Board of Directors of the Company.

4.4 "Rules" shall mean the Companies (Corporate Social Responsibility) Rules, 2014, including any modification, amendments or re-enactment thereof.

4.5 "Financial Year" shall mean the period beginning from 1st April every year to 31st March of the succeeding year.

4.6 "Agency" or "Agencies" shall mean: -

(a) a company established under section 8 of the Act or a registered trust or a registered society, established by the company, either singly 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 any entity established under an Act of Parliament or a State legislature:

Provided that - if the CSR activities undertaken through a company established under section 8 of the Act or a registered trust or a registered society, other than those specified in above (a) and (b) then such company or trust or society shall have an established track record of three years in undertaking similar programs or projects and the company has specified the projects or programs to be undertaken, the modalities of utilisation of funds of such projects and programs and the monitoring and reporting mechanism.

4.7 "The Committee" or "CSR Committee" shall mean the Corporate Social Responsibility Committee as constituted or reconstituted by the Board of Directors of the Company, from time-to-time, in accordance with the Act and the Rules made thereunder, comprising of three or more Directors.

4.8 "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;

4.9 "CSR Activities" shall mean Corporate Social Responsibility activities/ programs /initiatives /green belt/ Environment Protection / Ecological balance etc. either new or ongoing, at and around Corporate Office, project office, branch office of the Company, its subsidiaries and associates wherever located, including but not limited to those recommended by the CSR Committee and approved by the Board.

CSR activities are undertaken by the Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but will not include the following, namely:

1. activities undertaken in pursuance of normal course of business of the company,

2. any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;

3. contribution of any amount directly or indirectly to any political party under section 182 of the Act;

4. activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019;

5. activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;

6. activities carried out for fulfilment of any other statutory obligations under any law in force in India;

4.10 "CSR Expenditure" shall mean all CSR expenditure as recommended by the CSR Committee and approved by Board of Directors including the following:

i. Contribution to CSR activities which shall be implemented and /or executed by the Company.

ii. Contribution to CSR activities which shall be implemented and/or executed by the Company or through any other Agency or Agencies.

iii. Any other contribution covered under Schedule VII to the Act.

4.11 "Ongoing Project" means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification;

5.0 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Board, in compliance of the provisions of Section 135 read with Companies (Corporate Social Responsibility) Rules, 2014 of the Companies Act, 2013, had constituted Corporate Social Responsibility Committee comprising of the Directors.

CSR Committee to, inter-alia, carry out following functions:

a. To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
b. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;
c. To monitor the CSR policy of the Company from time to time;
d. To monitor the activities and expenditure made during year;
e. Any other matter as the CSR Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

f. Approve Annual Action Plan including the projects, methodology of implementation, modalities of utilization of fund, implementation schedules, monitoring and evaluation and reporting mechanism.
g. The CSR Committee may under the above areas identify and recommend to the Board "Ongoing Project/s" that requires multi-year implementation but not having timelines exceeding three years excluding the financial year in which it commences, and also may designate some of the existing CSR projects as an Ongoing Project and such Ongoing Projects shall be selected, implemented, monitored and reported in accordance with the applicable CSR Provisions.

6.0 RESPONSIBILITIES OF THE BOARD:

a. Board shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it.

b. Chief Financial Officer or the person responsible for financial management to certify the utilization of CSR fund.

c. In case of ongoing project, the Board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation.

7.0 CSR ACTIVITIES:

Schedule VII to the Companies Act, 2013 specifies activities which a Company is required to undertake. The Company may undertake any activities specified under said schedule VII. Currently the Company will focus to support and implement following activities as our thrust area:

a. Promoting Health Care, Sanitation and make safe drinking water available;
b. Promoting Education and Sports;
c. Ensuring sustainable environment;
d. Employment enhancement through training and vocational skill development;
e. Livelihood opportunities through various modes;

The CSR Projects and programs to be undertaken by the Company shall include the activities falling within the purview of Schedule VII of Companies Act, 2013.

The projects and program will be executed either or and by

a. IOSPL itself in partnership with local bodies, government bodies, various NGO partners, service providers and others, wherever feasible, or
b. Through a registered trust or registered society, or
c. Contribution to the corpus of a trust/society, whereas the trust and society is created exclusively to undertake the CSR activities and the corpus is created to undertake the activities as defined under the Companies Act, 2013.

The Surplus and unutilised fund, if any arising out of CSR initiatives of the Company will be carry forward for next year and reallocated on the recommendation of committee and board's approval. This will not form part of its business profit.

The activities undertaken in pursuance of the normal course of business, activities undertaken outside India and activities that benefit exclusively the employees of the Company or their family members shall not be treated as CSR activities of the Company.

Further, the surplus arising out of the CSR activity shall not form part of business profits of the Company.

8.0 FUNDING AND IMPLEMENTATION:

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

CSR Committee will ensure that the amount earmarked for CSR activities is spent for the identified CSR activities either directly by itself or through Agencies. The Committee will periodically identify the CSR activities, budget, planned expenditure and implementation schedule etc.

The annual planned expenditure for the CSR activities and manner of implementation etc. after review and consideration by the CSR committee, shall be submitted for approval of the Board in the following format.

Sl. No.	CSR Activities	Schedule of Implementation	Annual Budget	% of Allocation

CSR activities will be carried out directly or indirectly at the corporate office and other locations like Mumbai and Delhi, preferably in and around the areas of the projects of the Company. The CSR activities will be carried out/implemented, directly by the Company or indirectly through Agencies with due exercise of control. Preference will be given to activities that can be implemented directly by the Company and the provision of tangible, immovable facilities related to CSR activities. The Company has an option to spend such statutory minimum amount through one or more Agencies.

The administrative overheads as stipulated in the provisions of Companies Act, 2013 shall not exceed five percent of the total CSR expenditure of the Company for the financial year.

Any surplus arising out of the CSR activities will not form part of business profit of the Company. It will be treated as per the provisions of Companies Act. It will be either ploughed back or transferred to unspent CSR account.

If the amount is spent in excess of requirement provided under sub-section (5) of section 135, such excess amount will be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years by obtaining board approval.

After Completion of the CSR project, the same shall be handed over to the users and responsibility of maintenance of the same shall rest with the users.

The Company shall endeavour to spend the entire amount of statutory minimum contribution limit in each Financial Year. However, if the Company is unable to do so, the Board shall specify the reasons for the same in its report to the shareholders in terms of Section 134 (3)(o) of the Act.

The unspent amount if any, would be treated in accordance with the CSR provisions. Any unspent CSR amount relating to ongoing project would be transferred to a separate bank account within 30 days from the end of the financial year and spent within 3 financial years. The amount unspent will be maximum retained for 3 financial years and any excess amount will be transferred to the fund specified by the Government.

If no project/ongoing project is identified, the unspent CSR amount will be transferred to the fund specified by the Government within six months from the end of the financial year.

9.0 MONITORING MECHANISM:

a. The CSR Committee shall meet at least twice in a year to monitor the implementation of CSR plan and its activities.

b. Regular review of CSR Committee and reporting to Board on:
   - Amount spent on each activity.
   - In case the budgeted amount is not spent in a particular year, the reason for not spending the amount would be made on the Board's Report.
   - Achievement against milestone and objectives.
   - Report on CSR to be included in the Annual Report of the Company.

c. The Committee shall ensure that the CSR Policy, as amended from time to time, is displayed on the Company's website.

d. The Board shall include in its report to the shareholders, the annual report on CSR activities as per the format specified under the Rules.

e. The Company Secretary of the Company shall assist the CSR activities and the Board for performing their duties under the CSR policy, any changes by the Government in the regulations governing the CSR activities.

f. Utilisation Certificate with statement of expenditure duly certified by an Authorised Auditor will be submitted by the Agencies to whom the CSR fund is allocated.

g. The Board's Report pertaining to any financial year to include an annual report on CSR containing particulars specified in CSR provisions.

h. Impact Assessment – CSR projects having outlays of Rs.one crore or more and the CSR spent by the Company is Rs. Ten crore rupees or more in the immediately preceding three years impact assessment will be conducted.
The expenses towards impact assessment will be within five percent of the total CSR expenditure for the financial year or Rs.50 lakhs whichever is less.

i. The Company will disclose in its website www.iosl.in the composition of CSR Committee, CSR policy, projects approved by the Board – completed and ongoing.

10.0 AMENDMENTS TO THE CSR POLICY:

Amendments from time to time to the CSR Policy, if any, shall be considered by the Board of Directors based on the recommendations of the CSR Committee.

The CSR policy shall remain in force unless amended and approved by the Board.

CSR Annual Action Plan 2021-22

1. Introduction and Background

In compliance with Sub-Rule 2 of Rule 5 of The Companies (Corporate Social Responsibility) Rules, 2014 the Board has to formulate and approve the Annual Action Plan in pursuance of its CSR policy. The Annual Action Plan broadly covers the list of projects, manner of execution, modalities of utilization of funds, implementation schedules, monitoring and reporting mechanism and impact assessment for the projects undertaken.

2. List of Projects

IOSPL has identified the below projects for execution in the FY 2021-22 with respect to implementation of CSR projects:

Project Name	No. of Students	Financial Estimates
CSR – 6 - Government Higher Primary School Venkatagirikote	120	Rs.1.16 crores
CSR – 7 - Government Higher Primary School, Harohalli	65	Rs.1.06 crores

3. Rationale

The projects were approved by the Board considering the condition of existing infrastructure in these Government Schools which are in dire need of renovation and restoration. The approved project cost is Rs.1.16 crores and Rs.1.06 crores for Government Higher Primary School, Venkatagirikote and Government Higher Primary School, Harohalli respectively.

The Company is located in the Devanahalli Taluk of Bengaluru Rural District, Karnataka. These Government Schools were built long ago and are now in dilapidated condition. This was the main reason for choosing the Government Higher Primary Schools with most pressing infrastructure upgradation needs. The CSR activities of the Company ensure sustainable development.

4. Methodology of Implementation

The Company had received requests from the Government School Authorities represented by Block Education Officer for renovation and restoration of school infrastructure at the Venkatagirikote and Harohalli villages of Devanahalli Taluk. Based on the requests, the IOSPL officials had conducted joint site visits along with the officials of Karnataka Government Education Department. In accordance with the CSR policy of the Company, Board approval was obtained for the construction of schools under CSR activities.

An MOU was signed with the State Education Department of Government of Karnataka on 6th March, 2021 for project implementation for the said projects.

The tenders were floated for inviting bids from the Contractors for the school construction with the following scope of work:

- Demolition of existing buildings
- Construction of New School Building
- Toilets and other allied works
- Compound Wall and other minor civil and structural works
- Class room Furniture
- Electrical fittings viz Lights, Fans etc

The tender has been floated as e tender as approved by the Board.

5. Modalities of Utilization of funds

IOSPL has earmarked 2% of the average net profit earned during three immediately preceding financial years as CSR Allocation for the year, which is non lapsable. The surplus arising out of CSR projects or programs or activities will not form part of the business profits.

6. Implementation Schedules

Sl. No.	Description of Events	Date
1	Board Approval	4th March, 2021
2	Execution of MoU Document	6th March, 2021
3	Floating of e-Tender	10th March 2021
4	Bid submission date	22nd March 2021
5	Technical and Commercial Bid Opening date	22nd March 2021 to 23rd March 2021
6	Scrutiny of Bids	24th March 2021 to 29th March 2021

7	Award of Contract / Issue of LOI	30th March 2021
8	Mobilization of Contractor and clearances from Statutory Authorities for Demolition	1st April 2021 to 21st April 2021
9	School Construction	21st April 2021 to 30th January 2022
10	Handing over of project to Beneficiaries	5th February 2022

7. Monitoring and Evaluation

The construction activity is regularly monitored by our project group, senior management personnel and officials from the education department.

8. Reporting Mechanism

Monthly and Quarterly reports will be shared with the Senior Management and the Board of Directors.

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