



## **ONGC TERI Biotech Limited** **Corporate Social Responsibility Policy**

### **1. Introduction**

- (a) Corporate Social Responsibility Policy (CSR Policy) at ONGC TERI Biotech Limited (OTBL) is guided by the philosophy to care for the environment through sustainable utilization of natural resources. As a responsible corporate citizen, OTBL will try to contribute for social and economic development on regular basis, maintaining highest standards of corporate behavior towards its employees, consumers and societies in which it operates. The overall CSR mission of OTBL is thus aligned to strengthen people and planet by devising effective solutions for the community at large.
- (b) This CSR Policy shall operate as the Corporate Social Responsibility Policy of the Company for the purposes of Section 135 of the Companies Act, 2013 and the rules made there under including the Companies (Corporate Social Responsibility Policy) Rules 2014 (“CSR Rules”) as amended from time to time.

### **2. Applicability**

- (a) ONGC TERI Biotech Limited CSR Policy has been formulated in consonance with Section 135 of the Companies Act, 2013 read with the CSR Rules notified by the Ministry of Corporate Affairs, Government of India.
- (b) This Policy shall apply to all CSR Projects / Programmes undertaken by the Company in India as per the Companies Act, 2013.
- (c) This Policy is adopted by Board of Directors on 12<sup>th</sup> February, 2016.

### **3. Definitions**

“**Act**” means the Companies Act, 2013, as amended from time to time.

“**Board**” means the Board of Directors of the Company.

“**Company**” means ‘ONGC TERI Biotech Limited’.

“**CSR**” means Corporate Social Responsibility.

“**CSR Committee**” means Corporate Social Responsibility Committee of the Company constituted by the Board.

“**CSR Rules**” means Companies (Corporate Social Responsibility Policy) Rules 2014 and amendments thereon.

“**CSR Policy**” means this Policy.

“**CSR Expenditure**” shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee

“**Net profit**” shall have the meaning ascribed to it in the Act.

“**NGO**” means non-governmental organization.



#### **4. Vision and Mission Statement**

##### **(a) Vision**

To contribute towards social, economical and environmental well being of the community and thereby contribute to nation building through green and sustainable initiatives.

##### **(b) Mission**

- Ensuring socio-economic development of the community through different participatory and need- based initiatives in the best interest of the poor and deprived sections of the society so as to help them to become self reliant and build a better tomorrow for themselves.
- Ensuring environmental sustainability through ecological conservation and regeneration, energy efficiency measures, biotechnological interventions, renewable technology interventions, protection and re- growth of endangered plant species and promoting biodiversity.

#### **(5) Board of Directors**

The Board of Director is responsible for:

- (a) Constituting a Corporate Social Responsibility Committee (CSR Committee) of the Board consisting of at least three or more Directors, including, an independent Director, if any.
- (b) Approving the CSR policy as formulated by the CSR Committee, subject to necessary changes/modifications as the Board may deem fit.
- (c) Ensuring that in pursuance of its CSR Policy, the Company spends in each financial year at least 2% of its average net profit before taxation, excluding profits, if any, arising from overseas branches, made during the three immediate preceding financial years in accordance with the provisions of Section 135 of the Act and the Rules notified there under.
- (d) Ensuring that the activities as are included in CSR Policy of the Company are undertaken, and the funds committed by the Company every financial year for CSR activities are utilized effectively.
- (e) Disclosing in its Annual Report, the names of CSR Committee members, the content of the CSR Policy, and
- (f) Ensuring annual reporting of its CSR activities or any other acts, deeds and things as may be required under law from time to time on the Company website.



**(6) CSR Committee**

- (a) The CSR policy and programs shall be implemented, managed and supervised by the CSR committee appointed by the Board.
- (b) The CSR Committee shall comprise at least of such number of directors as is mandatorily required by applicable laws.
- (c) The Committee shall inter alia:
  - (1) formulate, update and recommend to the Board, a CSR Policy indicating activities to be undertaken by the Company as specified in Schedule VII of the Act;
  - (2) recommend the amount of expenditure to be incurred on the activities referred to in Clause(a); and
  - (3) monitor the CSR Policy from time to time; and
  - (4) submit a report, to the Board on all CSR activities undertaken during the financial year
- (d) The Committee shall meet at least once in a financial year.

**(7) CSR Projects and Programs**

In accordance with the primary CSR Philosophy, and as prescribed by applicable laws, including Schedule VII of the Companies Act,2013 as amended from time to time, the Company proposes to adopt initially one or more of the following CSR Activities as thrust areas:

- (a) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, differently abled and livelihood enhancement projects;
- (b) Eradicating hunger, poverty and malnutrition, promoting preventive health care, sanitation and making available safe drinking water;
- (c) Rural development projects.
- (d) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water.

All CSR Projects and Programs shall be carried out only in India. No specific CSR Projects or Programs shall be undertaken in pursuance of normal course of business of the Company.

In furtherance of specific CSR projects or programs, the Company will engage and collaborate with NGOs, registered Trusts, Societies and Section 8 Companies, in order to implement the CSR programs.



**(8) Financial Outlay for CSR Activities**

- (a) Every year, the Company shall with the approval of its Board make a budgetary allocation for CSR Activities/ Projects for the year. The budgetary allocation will be based on the profitability of the Company and the requirements of applicable laws.
- (b) The Company expects to spend the budgeted amount allocated for CSR Activities/ Projects planned for each financial year, within that year. If for any reason, the budget of a year remains unutilized, the same would not lapse and would be carried forward to the next year for expenditure on CSR Activities, which were planned for implementation in the previous year, but could not be completed due to some reason. The CSR Committee and the Board of Directors will disclose the reasons for not being able to spend the entire budgeted amount on the CSR Activities as planned for that year.
- (c) The amount allocated for emergency needs but not utilized in the year of its allocation may be carried forward to the next year for utilization for CSR Activities.
- (d) Any surplus arising out of the CSR Activities, Projects or Programs shall not form part of the business profits of the Company.

**(9) Implementation**

- (a) The Company will integrate its CSR plans and strategy with its business plans and strategies. For effective implementation, long term CSR plans, if any, will be broken down into medium-term and short-term plans. Each plan recommended by the CSR Committee should specify the CSR Activities planned to be undertaken for each year, define the responsibilities of the designated authorities to be engaged in this task, and also prescribe the measurable and the expected outcome and social/ environmental impact of the CSR Activities.
- (b) The Company recognizes that the period of implementation of its long term CSR projects can extend over several years depending upon the expected outcomes/ impact thereof. While planning for such long-term Projects the CSR Committee would estimate the total cost of each Project and recommend to the Board of Directors of the Company that the Company should commit such amount for long term expenditure till the completion of the Project.
- (c) Each long-term Project will be broken up into annual targets and activities to be implemented sequentially on a yearly basis, and the budget would have to be allocated for the implementation of these activities and achievement of targets set for each successive year, till the final completion of the Project.
- (d) Where the CSR Activities are closely aligned with the business strategy and the Company possesses core competence to do it, the Company may take up the implementation of CSR Project with its own manpower and resources, if the CSR Committee is confident of its organizational capability to execute such Projects.



- (e) If in the opinion of the CSR Committee, the implementation of CSR Projects requires specialized knowledge and skills, and if the Company does not have such expertise in-house, the wherewithal, and dedicated staff to carry out such activities, the CSR Committee may recommend to avail the services of external specialized agencies for the implementation of such CSR projects.
- (f) In the event an external agency is engaged for the purposes of the CSR initiatives of the Company, the Company will need to enter into an agreement with the relevant executing/implementing external agency, setting out the terms and conditions of the engagement of the external agency.

**(10) Monitoring**

- (a) The Company recognizes that monitoring is critical for assessment of the progress as regards timelines, budgetary expenditure and achievement of targets. Monitoring may be done periodically with the help of identified key performance indicators, the periodicity being determined primarily by the nature of key performance indicators.
- (b) Monitoring will be done in project mode with continuous feedback mechanism, and recourse always available for midcourse correction in implementation, whenever required.
- (c) The performance of the Company's CSR Activities would be monitored on the basis of their achievement of annual targets and the utilization of their annual budgets for the activities planned and the targets set for each year.
- (d) Implementation and monitoring of the CSR Activities will be overseen by the CSR Committee. The monitoring and evaluation may be assigned by the CSR Committee to an independent external agency for the sake of objectivity and transparency. If the Projects are being implemented by external agencies, the Company may in consultation with CSR Committee designate special executives for this purpose.

**(11) Information Dissemination**

- (a) The Company's engagement in this domain is disseminated on its website, annual reports and its house journals as and when deem fit.
- (b) Further the contents of the CSR Policy shall be disclosed in the Directors' Report and the same shall also be displayed on the Company's website.

**(12) General**

- (a) In case of any doubt with regard to any provision of this CSR Policy and also in respect of matters not covered herein, a reference should be made to the CSR Committee. In all such matters, the interpretation and decision of the CSR Committee shall be final.
- (b) All provisions of the CSR Policy would be subject to revision/amendment in accordance with the applicable laws.
- (c) The Company reserves the right to modify, cancel, add, or amend this CSR Policy.



**(13) Review of the Policy**

The CSR Committee shall review the CSR Policy from time to time based on the changing needs and make suitable modifications as may be necessary with the approval of the Board. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

**Date: 12.02.2016**

**Place: New Delhi**