



ONGC TERI Biotech Limited
Corporate Social Responsibility Policy

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1. **Introduction**

- (a) Oil and Natural Gas Corporation Limited (ONGC) is a Maharatna Central Public Sector Enterprise under the administrative control of the Ministry of Petroleum & Natural Gas. It's an integrated energy company that discovers, produces, refines and markets oil and gas and also produces petrochemicals. It is also engaged in Power generation and has considerable renewable energy portfolio. is an independent, not-for-profit, knowledge-driven institute dedicated to advancing transition towards a cleaner and sustainable planet. It contributes to society with its research in the field of biotechnology, renewable energy technologies, and innovative solutions in the water and forestry sector, design and rating of buildings for their carbon footprint and resource use efficiency, and a range of policy-based research for corporate and government agencies on issues such as climate change and other subjects at the local, national, and international level.
- (b) ONGC TERI Biotech Limited (OTBL) is a joint venture of ONGC and TERI. It is engaged in provision of Biotechnological Solutions to Oil and Gas industry.
- (c) Corporate Social Responsibility Policy (CSR Policy) at 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.
- (d) 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) CSR Policy of ONGC TERI Biotech Limited 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 and shall be read in consonance with them.
- (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 12th February, 2016.

3. Definitions

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

“**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;

“**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-Government Organization.

“**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;

The terms in the policy not defined in this Clause shall draw their meaning from the Act, and the CSR Rules.

4. Vision and Mission

(a) Vision

To contribute towards social, economic 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 Directors of the Company is responsible for:

- (a) Constituting a Corporate Social Responsibility Committee (CSR Committee) of the Board consisting of at least two or more Directors.
- (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) Satisfying itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the CFO or the person responsible for financial management shall certify to the effect.

- (f) Disclosing in its Annual Report, the names of CSR Committee members, the content of the CSR Policy, and
- (g) 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.
- (h) In case of “ongoing project” monitoring 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.
- (i) mandatorily disclosing the composition of the CSR Committee, CSR Policy and Projects approved by the Board on their website, if any, for public access.
- (j) Ensuring that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

(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 of the Board shall be constituted consisting of at least two or more Directors.
- (c) The Committee shall inter alia:
 - i. 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;
 - ii. recommend the amount of expenditure to be incurred on the activities referred to in Clause(a);
 - iii. monitor the CSR Policy from time to time; and
 - iv. submit a report, to the Board on all CSR activities undertaken during the financial year
 - v. formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-
 - a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - (b) the manner of execution of such projects or programmes;
 - (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - (d) monitoring and reporting mechanism for the projects or programmes; and



(e) details of need and impact assessment, if any, for the projects undertaken by the company:

(d) The Committee shall meet at least once in a financial year.

(7) CSR Internal Committee

(a) The CSR Internal Committee (IC) shall comprise of officials of Company designated as Head of Purchase-MM Division, Chief Financial Officer (CFO) and Head of Human Resources (HR) division of company.

(b) The IC shall be responsible for preliminary review of the proposals received for CSR projects. They shall ensure that only those proposals are placed before the CSR Committee which are in accordance with CSR Policy of the Company.

(c) The IC shall ensure that the Project Execution and Management Cost /Professional Fees of Implementation Agency shall not exceed twenty percent of total CSR expenditure of the Project but shall not include direct actual expenditure like travel cost incurred during implementation of project.

(d) The members of IC shall meet as and when required for discharging their duties with prior notice of at least one day. Minutes of meetings of IC shall be recorded and placed before the CSR Committee in ensuing meeting.

(8) CSR Projects and Thematic areas of intervention

In accordance with the prescribed applicable laws, including Schedule VII of the Act as amended from time to time, the Company adopts 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.

However, the Company may also undertake other CSR activities in line with Schedule



VII activities and will include items incorporated as per the amendments to Schedule VII through subsequent notifications, circulars, etc. released by the appropriate authority.

Provided that the company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities. 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.

(9) Financial Outlay for CSR Budget

- (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)** In accordance with “Advisory for Members of the Institute of Chartered Accountants of India (ICAI) and Companies to whom CSR provisions under Companies Act, 2013 apply” dated 29th May, 2020, the Company will obtain an Independent Practitioner’s Report on utilization of CSR Funds from the Statutory auditor / CA in practice of Implementation Agency to whom the funds are given by the Company for implementing CSR activity. This is to be obtained annually once the annual accounts of the Implementing Agency have been audited.
- (c)** The Company will also obtain audited Utilization certificate along with every invoice that the Company receives from the Implementing Agency.
- (d)** The Company expects to spend the budgeted amount allocated for CSR Activities/ Projects planned for each financial year, within that year.
- (e)** In case, there is an unspent amount related to ongoing project, such unspent amount shall be transferred by the company to a special account to be called the Unspent Corporate Social Responsibility Account which is to be opened by the company for that financial year in any scheduled bank. This amount is required to be transferred within a period of thirty days from the end of the financial year. Such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer. In case, the company fails to spend in accordance with the above, the company 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.

- (f) Any surplus arising out of the CSR Activities, Projects or Programs shall not form part of the business profits of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of the CSR policy and annual action plan of the company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of 6 months of the expiry of the financial year.
- (g) Where a company spends an amount in excess of requirement provided under sub-section (5) of section 135, 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 -
 - (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule.
 - (ii) the Board of the company shall pass a resolution to that effect.
- (h) The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by -
 - (a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or
 - (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
 - (c) a public authority:

Provided that any capital asset created by a company prior to the commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, shall within a period of one hundred and eighty days from such commencement comply with the requirement of this rule, which may be extended by a further period of not more than ninety days with the approval of the Board based on reasonable justification.

(10) 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.

(11) 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 IC or 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.

(12) Information Dissemination

- (a) The Company’s engagement in this domain is disseminated on its website, annual reports and its housejournals 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.

(13) 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.

(14) 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.

DOCUMENT VERSION CONTROLS: Version No.	Clauses changed	Effective Date	Prepared/ Modified by	Approved By	Overview of changes
1.0	Policy amended in accordance with Companies Act, 2013	24.01.2025	Company Secretary	Board of Directors, OTBL	Amendments Included