



Dhamra LNG Terminal Private Limited

Corporate Social Responsibility (CSR) Policy



A. Corporate Social Responsibility (CSR) Philosophy:

Dhamra LNG Terminal Private Limited (“DLTPL” or “the Company” or “we”) is committed to creating a positive impact on society through various initiatives and enhanced value in society. As a responsible corporate citizen, we try to contribute for social and environmental causes at the forefront of its CSR philosophy. We are also committed to ensuring that our emphasis on corporate social responsibility is reflected in our dealings with our employees, customers, and other stakeholders.

DLTPL has prepared this CSR Policy, which sets out philosophy and guides our sustained efforts in undertaking and supporting socially useful programs and initiatives that are designed to enhance the welfare and sustainable development of society. This CSR Policy also adheres to the mandatory requirements under the Companies Act, 2013 and the CSR Rules.

B. CSR Vision:

The communities in which we operate play an important role in our long-term sustainability and success. We interact with them on a regular basis, and we recognize that our business operations may affect their day-to-day lives. We have a responsibility to not only ensure that our activities do not negatively impact our local communities, but also a responsibility to help our local communities thrive.

Our vision is to improve the quality of life for all the communities which the Company works with, by undertaking and supporting programs and initiatives designed to enhance welfare and integrated and sustainable development.

C. Definitions

In this Policy, unless the context otherwise requires:

1. “Act” shall mean the Companies Act, 2013 and the rules made thereunder, including any modifications, amendments, or re-enactment thereof.
2. “Agency” (or Agencies) means any Section 8 Company or a registered trust/ society/ NGO/ institution, performing social services for the benefit of the society and excluding a registered trust/ society/ NGO/ institution/ Section 8 Company which is formed by the Company or its holding or subsidiary company/ companies.
3. “Approved Budget” shall mean the total budget as approved by the Board of the Company upon the recommendation of the CSR Committee, which is to be utilized for CSR Projects.
4. “Board” shall mean the Board of Directors of the Company.
5. “Company” shall mean Dhamra LNG Terminal Private Limited and wherever the context requires, shall signify the Company acting through its Board.
6. “CSR Annual Plan” shall mean the annual action plan detailing the CSR expenditure for the year.
7. “CSR Committee” shall mean the Corporate Social Responsibility Committee constituted by the Board of the Company in accordance with the Act, consisting of two or more directors.

8. "CSR Expenditure" means all CSR Expenditure of the Company as approved by the Board upon recommendation of the CSR Committee, including the following:
- contribution to CSR Projects which shall be implemented and/or executed by the Company;
 - contribution to CSR Projects (including for corpus as required) which shall be implemented and/or executed through Agencies;
 - any other contributions covered in areas or subjects under Schedule VII to the Act.

Contribution of any amount directly or indirectly to any political party under Section 182 of the Act, shall not be considered as CSR Expenditure.

9. "CSR Officer" shall mean the person appointed by the Company to fulfill the CSR obligations of the Company.
10. "CSR Policy" shall mean the present Corporate Social Responsibility Policy of the Company, which covers the activities to be undertaken by the Company as specified in Schedule VII to the Act and the CSR Expenditure thereon.
11. "CSR Projects" or "Projects" means Corporate Social Responsibility projects/ activities/ programs/ initiatives instituted in India, either new or ongoing, and include but not limited to those undertaken by the Board in pursuance of recommendations of the CSR Committee as per the CSR Policy of the Company.

Projects/ activities/ programs/ initiatives undertaken in pursuance of normal course of business of the Company and projects which benefit only the employees of the Company and their families shall not be considered as CSR Projects.

12. "CSR Rules" shall mean the Companies (Corporate Social Responsibility) Rules 2014, including any re-enactment, modifications, or amendments thereof.
13. "Financial Year" shall mean the period beginning from 1st April of every year to 31st March of the succeeding year.
14. "Focus Areas" shall have the meaning as ascribed to them as per provision F of the Policy.
15. "Group Companies" means the Company and its holding company.
16. "Net profit" shall mean the net profit of the Company calculated as per section 198 of the Act and the CSR Rules.

Words and expressions used and not defined in the Policy shall have the same meanings respectively assigned to them in the Act and/or CSR Rules.

D. CSR Committee:

In accordance with Section 135 of the Act read with rules made thereunder, the Board of Directors of the Company shall form a CSR Committee consisting of at least two or more directors of the Company. The number of members of the CSR Committee and their powers and functions can be specified, varied, altered, or modified from time to time by the Board, subject to the provisions of the Act and the CSR Rules. The CSR Committee shall carry out the following functions:

- a) to formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company in compliance of the provisions of the Act and the CSR Rules;
- b) to review from time-to-time CSR Policy in the light of emergent situation and statutory frame work;
- c) to recommend the amount of investment to be made on CSR activities;
- d) to select an implementation Agency for undertaking CSR programs;
- e) to monitor the implementation of CSR Policy and review overall performance in CSR programs.

E. Responsibilities of the Board of Directors:

The Board of Directors shall have the following responsibilities in connection with this CSR Policy:

- a) to formulate and recommend CSR Projects to the Board;
- b) to approve the amount of CSR Expenditure to be allocated for each CSR Project in a Financial Year;
- c) to formulate and approve the CSR Policy, which shall outline the activities to be undertaken by the Company in specific areas or subject matters as specified in Schedule VII of the Act and CSR Rules;
- d) to monitor implementation of the CSR policy of the Company and review the overall performance of CSR Projects;
- e) to review the CSR Policy from time to time and to update in view of any change in the Act or CSR Rules or for other reason that would warrant its review and update;
- f) to formulate the CSR Annual Plan in accordance with the principles laid down in this Policy and in accordance with the Act and the CSR Rules; and
- g) to carry out any other function as mandated by the Board or CSR Committee, as the case may be, from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.

F. Focus Areas:

While the Company is eligible to undertake any suitable activity as specified in Schedule VII to the Act, it intends to focus on the following areas (**Focus Areas**):

- a) Education
- b) Community Health
- c) Sustainable Livelihood Development
- d) Community Infrastructure Development

G. Identification of CSR Projects:

- a) CSR Projects relating to the Focus Areas shall be identified and put up for the approval of CSR Committee and Board with an estimated expenditure and phase wise implementation schedules.
- b) The Company shall ensure that in identifying its CSR Projects, preference shall be given to the local area(s) in and around which the Company operates. However, this shall not bar the Company from pursuing its CSR objects in other areas.
- c) As a cardinal principle, the CSR Projects in Focus Areas shall be identified based on a detailed assessment survey.

- d) The Company may engage external professionals/ firms/ agencies, if required for the purpose of identification of CSR Projects.

H. Implementation of CSR Projects

The Company shall implement the identified CSR Projects by the following means:

i) Direct Method

- a) The Company may itself execute and implement the CSR Projects within the scope and ambit of Focus Areas.
- b) The Company may collaborate with other companies, including its Group Companies if required, to fulfill its CSR objectives through the Direct Method.

ii) Indirect Method

- a) The Company may implement the identified CSR Projects through Agencies, subject to the condition that:
- The activities pursued by the Agency are covered within the scope and ambit of Schedule VII to the Act;
 - The Agency has an established track record of at least three years in undertaking similar programs or projects;
 - The Company has specified the Project to be undertaken through the Agency which shall preferably be in Focus Areas.
- b) The Company may collaborate with other companies, including its Group Companies if required, to fulfill its CSR objectives through the Indirect Method.

I. Monitoring Mechanism:

The CSR Committee shall institute and follow a transparent monitoring mechanism for implementation of CSR programs/projects. The CSR officer shall conduct an internal quarterly review meeting with the implementing agency.

The CSR committee will review the progress regarding implementation & results of CSR initiatives and will report to the Board of Directors.

J. Fund allocation and Others:

a) Fund allocation

1. The Company, in every financial year, shall endeavor to spend such feasible amount as CSR expenditure, which shall not be restricted by the statutory limit of a specified percentage of its average net profits of the immediately preceding three financial years. However, the aforesaid CSR expenditure in any financial year shall be at least 2% of Company's average net profits for the three immediately preceding financial years.
2. The CSR Committee shall prepare a CSR Annual Plan for the above which shall include:
 - Identified CSR Projects
 - CSR expenditure
 - Implementation Schedules

3. Total expenditure in the CSR Annual Plan shall be approved by the Board upon recommendation by the CSR Committee.
4. In case the Company fails to spend the statutory minimum limit of 2% of Company's average net profits of the immediately preceding three years, in any given financial year, the Board shall specify the reasons for the same in its report in terms of clause (o) of sub-section (3) of section 134 of the Act.

b) Others

1. The CSR Committee shall ensure that a major portion of the CSR expenditure in the CSR Annual Plan shall be for the Projects as per CSR objectives. However, there shall not be any preference given to any particular projects for budgetary allocation and it shall be made purely as per the identified CSR Projects on need basis.
2. The Chairman of the Board and CSR Committee are authorized severally to decide on Projects to be implemented within the allocation as per the approved CSR Annual Plan.
3. Any surplus arising out of the CSR Projects shall not form a part of the business profit of the Company.
4. The Company may build CSR capacities of their own personnel as well as those of the Agencies through institutions with established track records of at least three financial years but such expenditure on capacity building shall not exceed five percent of the Approved Budget of the Company in one financial year.

K. Reporting:

CSR Committee:

- a) The CSR Committee shall monitor the implementation of the CSR Policy and CSR Annual Plan. The CSR Committee shall place before the Board the draft annual report as per the format in annexure to the Rules at the Board meeting for Board review and finalization.
- b) The CSR Committee shall place before the Board a responsibility statement of the CSR Committee every year that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company for inclusion in the Board's Report.
- c) The CSR Committee shall ensure that the CSR Policy and CSR Annual Plan are displayed on the Company's website.

Board of Directors:

- a) The Board shall include in its Board Report the annual report on CSR Projects as per the format provided in the Annexure to the Rules.

L. Review and amendment:

- a) CSR Plan may be revised/ modified/ amended by the CSR Committee at such intervals as it may deem fit.
- b) The Board of Directors on its own and/or on the recommendation of CSR committee can amend its policy as and when required deemed fit. Any or all the provisions of CSR Policy would be subjected to revision/amendment in accordance with the regulations issued by relevant statutory authorities, from time to time.
