

EASTERN PETROLEUM PRIVATE LIMITED



Corporate Social Responsibility



SHORT TITLE & APPLICABILITY

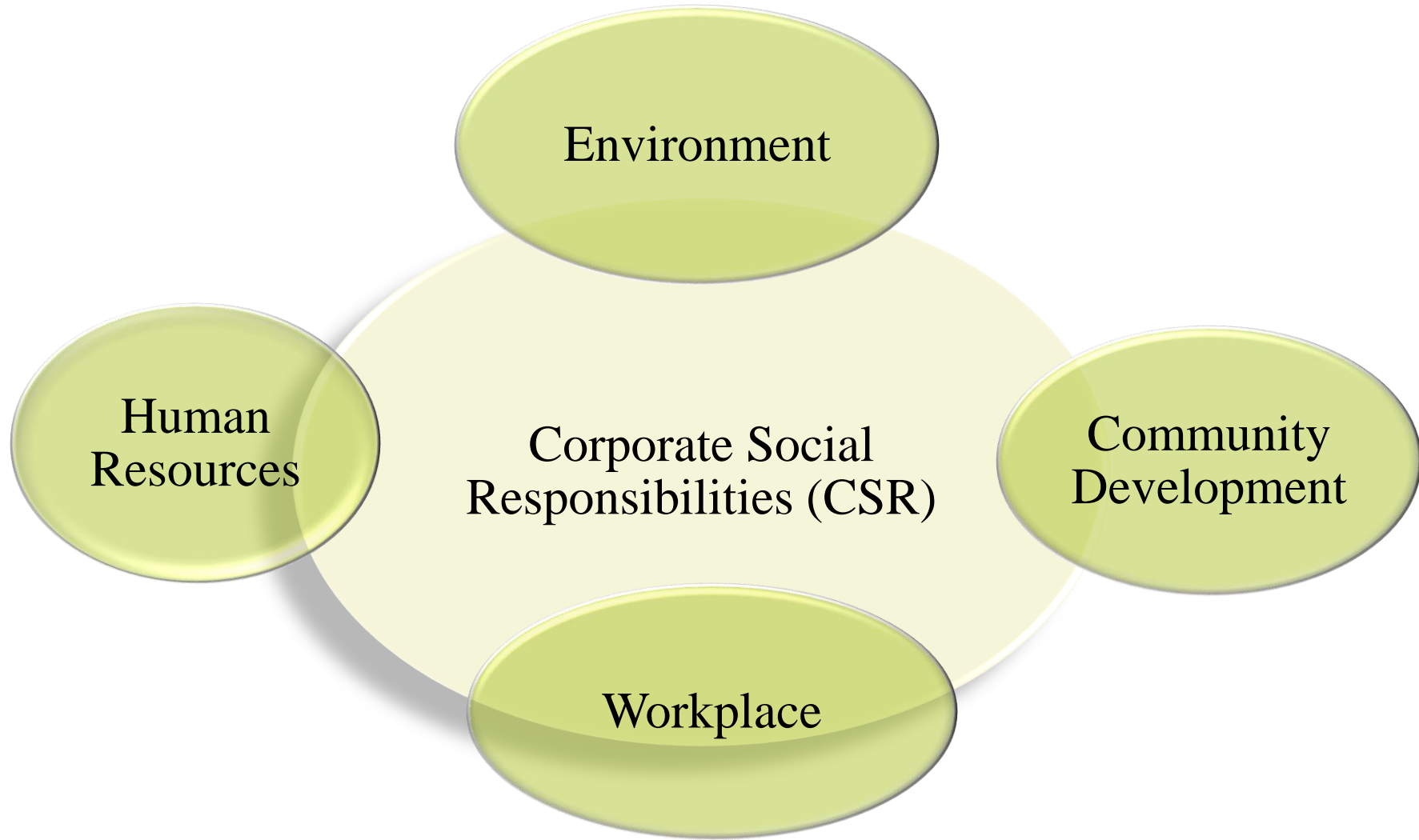
- ❖ *This policy, which encompasses the company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for carrying out socially useful activities / projects and programs for welfare & sustainability and development of community at large, preferably at local area and in its areas of operation, it is titled as “**Eastern Petroleum CSR Policy**”.*
- ❖ *This policy shall apply to all CSR projects, activities and initiatives taken-up at all units/offices/Regional/Work Centers and locations of Eastern Petroleum within the India as may be decided by the management of Eastern Petroleum for the benefit of different segments of the society. This policy is based upon Companies Act, 2013 and the rules made there under.*

VISION STATEMENT & OBJECTIVE

“To commit for enhanced value-creation for the Society, our shareholders, other stakeholders and the communities by taking-up activities and initiatives for sustainable growth for the Society, with environmental concern”.

- ❖ *To ensure an increased commitment at all levels in the organization, operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders.*
- ❖ *To directly or indirectly take up programs that benefit the communities in & around its units/offices/Regional/Work Centers and locations, over a period of time in enhancing the quality of life & economic well-being of the local population.*
- ❖ *To generate through its CSR initiatives, a community goodwill for EASTERN PETROLEUM and help reinforce a positive & socially responsible image of EASTERN PETROLEUM as a corporate entity.*







Social Investment
Social accountability
Community awareness & engagement

Community

Environmental protection & sustainability

Environment

Corporate Social Responsibility

Workplace

Integrity
Business ethics
Employee engagement

Marketplace

Corporate Governance & economic responsibility

DEFINITION

- ❑ **Act** means Companies Act, 2013, as amended and modified from time to time;
- ❑ **Board** means Board of Directors of the Company;
- ❑ **Company** means EASTERN PETROLEUM PRIVATE LIMITED;
- ❑ **CSR committee** means Corporate Social Responsibility Committee constituted by the Board pursuant to section 135 of the Companies Act, 2013 (If CSR Liability exceeds Rs 50 Lakhs);
- ❑ **CSR Activities** shall mean activity which is specified as per Schedule VII of the Companies Act, 2013;
- ❑ **CSR Policy** means CSR Policy of the Company;
- ❑ **CSR Rules** means the Companies (Corporate Social Responsibility) Rules, 2014, as amended and modified from time to time;
- ❑ **Employees** means Employees of the Company;

- ❑ **Funding** shall mean the disbursements that are to be made to an organization pursuant to this CSR Policy, with the prior approval of the CSR committee and the Board in accordance with the Act and Rules;
- ❑ **Net Profit** means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Companies Act, 2013, but shall not include the followings, namely: -

Any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise, and

Any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Companies Act, 2013.

- ❑ **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.
- ❑ **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.

Words and expressions used in this policy and not defined herein but defined under the Companies Act, 2013 shall have the same meanings respectively assigned to them.

CSR ACTIVITIES

In accordance with the primary CSR philosophy and the specified activities under the Companies Act 2013, read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and any amendment(s) thereto or modification thereof, the activities to be undertaken by Eastern Petroleum may include the following areas but not be limited to:

- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.
- Promoting education, including special education and employment enhancing vocational skills especially among children, youth, women, the elderly and differently-abled, and livelihood enhancement projects.
- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
- Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.

- Measures for the benefit of armed forces veterans, war widows and their dependents.
- Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.
- Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts.
- Contribution to the prime minister's national relief fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women.
- Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

- Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government.
- Rural development projects.
- Slum area development.
- Disaster management, including relief, rehabilitation and reconstruction activities.

Subject to the legal provisions, the Board shall have the discretion to take a call on whether any activity falls within the entries above and in Schedule VII and its decision shall be final. The company shall give preference to the local areas and areas around it where it operates, for spending the amount earmarked for CSR activities for year.

Activities not to be considered as CSR

The following shall “not be” considered as CSR activities:

- Activities undertaken in pursuance of normal course of business.
- Contributions made, if any, to any political parties.
- Monies, if any, spent exclusively for the benefit of employees [as defined in clause (k) of section 2 of the Code on Wages, 2019) and their families].
- 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.
- Expenditure on item/s not in conformity with Schedule VII of the Companies Act 2013, as amended from time to time.
- Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services.
- Expenses incurred for the fulfilment of any obligations/compliance under any Act/Statute.

Implementation of CSR Projects

Eastern Petroleum will undertake CSR activities directly or in partnership with Implementing Agencies:

- 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 or such other entities prescribed under the Act, having established track record of at least three years who are engaged in undertaking similar activities. Or
- a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961, that may be established by Eastern Petroleum, either singly or along with any other company, for the purpose or both. Or
- any entity established under an Act of Parliament or a State legislature. Or
- 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.

Further the Implementing Agencies should fulfil the criteria laid down in the Act and the CSR Rules and which are registered with MCA.

Governance

❖ BOARD OF DIRECTORS

The Board shall review the impact of CSR activities, provide inputs and satisfy itself that the CSR spends are aligned to the CSR Policy and have been utilized for the purposes and in the manner as approved by it. In addition, at the end of financial year, person responsible for financial management shall certify to the Board that CSR spends have been utilized for the purposes and in the manner approved by the Board.

❖ CSR COMMITTEE

CSR Committee shall provide guidance on CSR activities and monitor compliance with CSR Policy, commitments, and applicable CSR provisions. The scope and role of CSR Committee shall be as set out in the Act and the CSR Rules and as laid down in the Charter of CSR Committee.

Provided if the CSR obligation does not exceed fifty lakh rupees, the requirement for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Directors of the company.

Composition of CSR Committee (If it is required to constitute)

The CSR initiatives/activities of the Company will be identified and initiated by the CSR committee comprising 2 (two) members of the Board, subject to the requirements of the Act, the Board may increase or decrease the size of the CSR committee or change composition of the committee by passing a resolution.

The members of the CSR committee shall elect one of them as the chairman of the committee. The CSR committee shall recommend to the Board the amount of expenditure to be incurred by the Company on CSR activities and the Board will ensure that the activities as are included in the CSR Policy are undertaken by the Company subject to and in accordance with the provisions of section 135 of the Companies Act, 2013.

❖ CSR COMMITTEE COMPOSITION OF THE COMPANY (If it is required to constitute):

Mr. Rajesh Madanlal Rathi - Chairman

Mrs. Aruna Rajesh Rathi - Member

Functions of CSR Committee

The CSR Committee of the Board shall be responsible for:

- Formulating and recommending CSR Policy of the Company to the Board;
- Recommending the amount of expenditure to be incurred on the CSR activities;
- Monitoring the CSR Policy of the Company from time to time.
- Institute a transparent monitoring mechanism for implementation of the CSR projects/programs/activities.
- Monitor implementation of CSR activities on quarterly basis.

Board's Rights and Responsibilities:

Following rights and responsibilities vests with the Board of the Company in connection with the CSR Policy and framework:

- To approve the CSR Policy after taking into account the recommendations made by the CSR Committee.
- To ensure that Company makes mandatory disclosures in the Company's Annual Reports and website, relating to CSR Committee members, Policy and the activities undertaken.
- To ensure annual reporting of CSR Policy and activities to the appropriate governmental authority as mandated by applicable law.
- The Board shall approve the CSR policy and oversee that identified work is duly undertaken and in each financial year at least 2% of average net profit of preceding three financial years is spent effectively.

- To Ensure that the administrative overheads are not more than 5% of the total CSR Expenditure.
- To Ensure that the funds so disbursed have been utilized for the purposes and in the manner as approved by Board / CSR Committee.
- To Approve for transfer of unspent CSR Amount if any in accordance with the law.
- In case of an ongoing project, the board shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modification, if any required.

CSR Expenditure

❖ ANNUAL CSR SPENDS

The company is committed to spend 2% of its average net profits made during the immediately preceding three financial years on CSR activities every financial year. If during any financial year the company spends an amount in excess of 2% of its average net profits, the same will be considered as excess CSR spends for the financial year and will be set-off in the immediately succeeding three financial years subject to fulfilment of conditions prescribed under the Act and the CSR Rules, if the Board decides to do so.

❖ LIMITS ON CSR SPENDS

Administrative overheads on CSR activities will not exceed 5% of total CSR spends in any financial year. Total spends incurred on conducting mandatory Impact Assessment Studies of CSR projects will not exceed 5% of total CSR spends of the company for a financial year or Rs. 50 Lakhs, whichever is less. The company shall not acquire any capital asset out of its CSR spends. In case it does, the said capital asset will be held by Implementing Agency/ Beneficiaries of the Project/ Public Authority, in the manner specified in the Act and the CSR Rules.

❖ **UNSPENT CSR AMOUNT**

Unspent CSR amount, if any, at the end of a financial year, shall be segregated into those in relation to ‘ongoing’ and ‘other’ projects and will be dealt with in the manner prescribed under the Act and the CSR Rules.

❖ **TREATMENT OF UNSPENT CSR**

Transfer to an Unspent CSR Account:

Any unspent amount from an ongoing project should be transferred within 30 days of the end of the financial year, to the specifically designated ‘Unspent Corporate Social Responsibility Account’ to be opened by the company. These amounts should be spent within the next three financial years, in accordance with the CSR policy. If these amounts remain unspent even after the three financial year period, then they should be transferred, within 30 days of the end of the third financial year, to any fund specified in Schedule VII of the Act. (such as but not restricted to [PM National Relief Fund](#), [PM CARES Fund](#), [Disaster Management Fund](#), [Clean Ganga Fund](#)).

❖ **TRANSFER TO A SCHEDULE VII FUND:**

If the funds are unallocated to any CSR project, then such unspent amount shall be transferred, within six months of the end of the financial year, to any fund specified in Schedule VII of the act.

❖ **EXCESS CSR SPENDS**

If in any financial year the company spends on CSR activities in excess of the obligated 2% of average net profits, the Board may decide to set-off the same in the immediately succeeding three financial years, subject to conditions prescribed under the Act and the CSR Rules.

❖ **INCOME' OR 'SURPLUS' ARISING OUT OF CSR ACTIVITIES**

'Income', or 'Surplus', if any, arising out of CSR activities, shall not form part of company's business profits and shall be ploughed back in the same CSR project or transferred to "Unspent CSR Account" and spent in pursuance of CSR Policy and the Annual Action Plan on CSR activities.

❖ **REPORTING AND PUBLICATION OF CSR POLICY**

As per the CSR Rules, the contents of the CSR Policy shall be included in the Directors' Report and the same shall be displayed on the Company's website, if any.

Annual Action Plan on CSR Activities

As prescribed under CSR Rules, at the beginning of every financial year subject to applicability of section 135 to the company, CSR Committee shall prepare a detailed Annual Action Plan on CSR activities, for the financial year, for approval of Board. On approval of the Board of Directors, any deviation from the plan will only be made with the prior approval of Board, on recommendation of CSR Committee. It shall contain detailed information on the following:

- List of CSR projects that are to be undertaken for the financial year
- Manner of execution of these CSR projects.
- Modalities of utilisation of funds, year-wise (in case of multi-year projects)
- Implementation Schedules for all CSR projects
- Monitoring and reporting mechanism for all CSR projects AND
- Details of need and impact assessment studies, if any, for CSR Projects undertaken earlier.

This CSR Policy is subject to such changes and amendments as may be notified by the Ministry of Corporate Affairs under Section 135 of the Companies Act, 2013 and rules made thereunder and the same shall be read in line with the provisions of the Act applicable to the Company from time to time.

Process for undertaking CSR Activities/Projects through partnering NGOs

- The following procedure will be adhered to while undertaking/funding CSR activities/projects through NGOs:
 - i. Eastern Petroleum conducts due diligence before partnering with any NGO for CSR activities.
 - ii. Presentation of Project/program details.
 - iii. Execution of CSR Agreement with the Partnering NGOs, which will detail the key roles and responsibilities of each of the parties for a specified project or projects identified by the Company.
 - iv. Scheduling of disbursements of funds relating to the program and monitoring system in accordance with pre-agreed milestones with partners.
 - v. The Committee whilst making any contribution will specify the activities for which it is made and the amount for the same.



Corporate Social Responsibility Policy

