


BHARAT OMAN REFINERIES LIMITED
CORPORATE SOCIAL RESPONSIBILITY POLICY

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Shubhendu Tewari
Company Secretary
BHARAT OMAN REFINERIES LTD.

3/7/19

Document history			
Version	Date	Reason	Summary of Changes
1.0	5 th Feb 2015	Board suggested to modify the policy	Changes suggested focal area of CSR Policy
2.0	11 th May 2015	Board approved modified policy	Creation of the document
3.0	4 th February 2019	Board approved revised policy	In terms of Companies (Corporate Social Responsibility Policy) Rules, 2016 and Companies (Amendment) Act, 2017



CORPORATE SOCIAL RESPONSIBILITY POLICY

1 Applicability:

This policy is applicable to Bharat Oman Refineries Limited (BORL). The Company developed its CSR policy in accordance with section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 notified by the Ministry of Corporate Affairs from time to time. The policy shall apply to all the CSR projects / programs undertaken by the Company across its geography.

2 Philosophy:

Going by our motto - ***Growing the Region, Growing with the Region***, BORL along with meeting the energy needs of the nation, believes in ensuring sustainable development of our region and transform existing challenges into unique strengths that can be harnessed for nation building.

3 Vision:

To promote inclusive and sustainable development by partnering with internal and external stakeholders and leveraging CSR for business value creation and thus become a role model in CSR for other companies.

4 Budget:

The Company shall spend the amount as approved by the Board and specified in the Companies Act, 2013.

5 Geography:

The CSR activities would be undertaken in the state of Madhya Pradesh and Gujarat and preferably in the nearby areas of the refinery at Bina, Crude Oil Terminal at Vadinar and nearby areas of the Vadinar Bina Pipeline.

6 Scope:

The thrust areas of the CSR activities as per Schedule VII to the Companies Act, 2013 and programmes under each thrust area is given below:

1) Promotion of Education and Skill Development:

- a. **Education** – *Promoting education including special education and employment enhancement skills, among women, children, elderly, specially-abled and under privileged, financial assistance to all girl students and to boys (below poverty line) for higher studies, science van, infrastructure support etc.*
- b. **Skill Development** - *Skill building in ITI Bina, On-the-job training to ITI students under the AICTE-NEEM Scheme, Skill Development Initiatives in education institutions like Engineering colleges, Polytechnics, ITIs. Vocational Training in trades / fields like hospitality, driving, automobile repair, tailoring, craft & trades, vermicomposting and fly ash brick making.*

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2) Promotion of Healthcare, Hygiene and Sanitation:

- a. **Healthcare** – Promoting healthcare initiatives like Project Sanjeevani to combat malnutrition, BORL Swasthya Seva Yojana to benefits below poverty line patients, pre & post-natal care (up to two pregnancies), children below 10 years and elderly citizens. Organizing health camps, operating mobile medical vans and treatment of critical diseases.
- b. **Hygiene & Sanitation** – Awareness drive for Cleanliness, upgrade sanitation facilities, construction and cleaning of toilets, drainage systems, waste management and pest control.

3) Rural Development and Environment Sustainability:

- a. **Rural Development** – To support development in areas like agriculture, horticulture and rearing of livestock. Infrastructure development, providing infrastructure to support house-hold electrification, agro and dairy based activities, various water conservation initiatives, drinking water and irrigation facilities.
- b. **Ensuring Environmental Sustainability** – Protection of flora & fauna, initiatives for protection of soil, water & air quality, provide potable drinking water facilities in villages, undertake activities to promote water conservation and prevent wastage of water, recharge water reserves in the villages, construct soak pits and provide hand pumps as per the need in villages and schools, laying of pipelines for providing of clean drinking water, and water coolers etc.

4) Promotion of Sports and Culture:

Identify & develop talent in sports & culture; coach, support and nurture talent. Scholarship to children / youth achieving accolades at District / State / National / International level. Organize tournaments / competitions. Activities for promotion of culture / heritage.

7 Responsibility

7.1 Board of Directors

- Approve CSR Policy for the Company on the recommendation of the CSR Committee.
- Ensure disclosing contents of the policy in Board report/website
- Review and approve the Annual CSR budget and activities, on recommendation made by the CSR Committee
- Review recommendations made by the CSR Committee
- Ensure that activities included in the CSR policy are undertaken by the Company.
- Include an annual report on CSR in the Board's Report containing particulars specified in **Annexure** and this annexure will be displayed on the website of the Company. In case the Company is not able to spend the amount as specified in the Companies Act, 2013 in any financial year, it shall report reasons for the same in Directors' Report.

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- Ensure compliance of statutory regulations from time to time.

7.2 CSR Committee

CSR Committee shall be constituted by Board as per Section 135 of the Companies Act, 2013 consisting of three or more directors out of which one shall be independent Director.

The role of CSR Committee constituted by Board will be as under:

- Formulate and recommend to Board, a CSR Policy which shall specify the activities to be undertaken in areas or subject specified in Schedule VII of the Companies Act, 2013.
- Recommend the amount of expenditure to be incurred on the CSR activities including CSR budget and plan for approval of the Board.
- Monitoring progress of CSR activities on quarterly basis and reviewing / guiding the implementation of CSR Projects / Programs / activities undertaken by the Company
- All CSR proposals above Rs.50 Lakhs within the approved plan for each year shall be approved by CSR Committee of the Board.
- All new projects / initiatives not falling under CSR approved plan would be approved by CSR Committee and information shall be provided to the Board for the same.
- Undertaking impact assessment studies for major projects as and when required;

7.3 Corporate Level

7.3.1 Committee of Managing Director, CFO and COO

- Assignment of role holder to ensure implementation of CSR initiatives.
- Selection of Implementation partner, periodic review and effectiveness of the CSR Programs.
- Approval of every CSR activity up to Rs.50 lakhs within the approved CSR Budget and Plan for each year.

7.3.2 The Role holder (s) shall carry out the following activities:

- Identification and implementation of CSR schemes/activities.
- Formulation of CSR plans and budgets.
- Monitoring of CSR activities and reporting to CSR Committee on quarterly basis.
- Display CSR Policy on the Company's website.
- Documentation and maintenance of data including bringing out reports, news-letters, bulletins etc.
- To issue certificate from Internal Auditor every quarter to be placed in CSR Committee that CSR programme are implemented as per Companies Act, 2013 and rules made thereunder as amended from time to time.

8 Methodology of implementation of CSR initiatives

8.1 Implementation Strategy

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CSR activities under various heads indicating the estimated expenditure will be put up to the CSR Committee on annual basis for approval. CSR budget will be approved by the Board based on the recommendation of CSR Committee.

The expenditure including administrative overheads shall not exceed 5% of total CSR budget each year for capacity building of employees as well as CSR implementation partners through institutions with well-established track record of at least three financial years.

The amount earmarked for CSR initiatives shall be spent by the Company itself or through partnerships, as follows:

8.2 Direct Implementation

The Company will conceptualize the CSR project / programs and execute them directly.

8.3 Indirect Implementation

The CSR activities may be undertaken by the Company, through a registered trust, registered society or Company registered under Sec 8 of the Act:

Provided that:

- (i) Such trust, society or Company under Sec 8 shall have an established track record of three years in undertaking similar programs or projects;
- (ii) Subject to provisions of sub-section (5) of section 135 of the Companies Act, 2013, the CSR projects or programs or activity undertaken in India only shall amount to CSR expenditure
- (i) The CSR projects or programs or activities that benefit only the employees of the Company and their families shall not be considered as CSR activities.

8.4 Selection of Implementation Partner

The Company would undertake proper selection process and also determine the risks as well as the benefits of working with a potential implementation partner and ensure that implementation partners have the reputation, competence and integrity to deliver effective programs on the ground.

Essential prerequisites/documents required for selection of NGO:

- Details of incorporation
- Licenses/ Permits/ Registration certificate
- Organization structure/ Profile
- Annual Reports for last three years
- Area of expertise
- Form 12AA registration granted under IT Act for charitable purposes (if applicable)

A due diligence is essential for projects having high outlays and of longer duration. In case of projects of shorter duration, due diligence will be carried out mainly to assess the capability of the implementation partner to execute the work.

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Due diligence criteria to evaluate the implementation partner would include its presence in the desired geography / willing to work in the area of BORL operation, management, projects undertaken for other corporates / organizations, undertaking of non-political / religious affiliation and compatibility with Company CSR policy.

8.7 Arrangement with implementation agency

- A legally enforceable contract be entered between BORL and implementation agency to carry out CSR activities/projects as per this policy.
- This is essentially a formal acknowledgement that all the partners have voluntarily consented to work together to achieve an agreed outcome that requires each one to play their respective roles.
- The payments to implementation agencies will be based on stage wise completion of activities / milestones

8.8 Monitoring and review process of implementing agency

- The performance be reviewed periodically as may be decided.
- A utilization / completion certificate is also required at the end of the CSR activity.

9. Impact measurement

The impact of CSR initiatives will be assessed from time to time by an external agency based on review and recommendation of CSR Committee.

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Annexure

FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD REPORT

1. A brief outline of the Company's CSR policy, including overview of projects or Programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programmes.
2. The composition of the CSR Committee.
3. Average Net Profit of the Company for last 3 financial years
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)
5. Details of CSR spent during the financial year.
 - a) Total amount to be spent for the financial year
 - b) Amount unspent, if any.
 - c) Manner in which the amount spent during the financial year is details below.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or Programmes 1. Local area or other 2. Specify the State and district where projects or Programme was undertaken	Amount outlay (budget) projects or Programmes wise	Amount spent on the project or Programme Sub-heads:- 1. Direct expenditure on projects or Programmes 2. Overhead	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1.							
2.							
3.							
4.							
5.							

*Give details of implementing agency.

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives Policy of the Company.

Sd/-
(Chief Executive Officer or
Managing Director or
Director)

Sd/-
(Chairman CSR Committee)

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