

w.e.f 11<sup>th</sup> December 2023

## CORORATE SOCIAL RESPONSIBILITY POLICY

### BHAGYANAGAR GAS LIMITED

[ A Joint Venture of GAIL ( India) Limited & Hindustan Petroleum Corporation Limited]

## **1. INTRODUCTION: -**

Bhagyanagar Gas Limited (BGL) recognizes that its business activities have direct and indirect impact on the society. The Company strives to integrate its business values and operations in an ethical and transparent manner to demonstrate its commitment to sustainable development and to meet the interests of its stakeholders.

Bhagyanagar Gas Limited (BGL) is already contributing in reducing the pollution levels in Hyderabad, Vijayawada and Kakinada city. BGL is a socially responsible company which undertakes a number of activities which contribute to society and justify its existence as an organisation committed to public expectations.

For BGL, Corporate Social Responsibility (CSR) is the responsibility of the Company that integrate social, environmental and ethical concerns into Company's business process. A responsible business is expected to not only take care of its stakeholders but also to engage and contribute meaningfully towards improving the quality of life of the communities and environment in which it operates.

CSR is, therefore, closely linked with the practice of Sustainable Development. The Company is committed to continuously strive to achieve these objectives.

## **2. CSR POLICY STATEMENT AND OBJECTIVES OF CSR POLICY:**

BGL shall strive to be a leader in the CGD industry by conducting our business sustainably in a socially and environmentally responsible manner.

- BGL affirm its commitment to enhance the quality of life of our workforce, their families and the communities of the area we operate in.
- BGL uphold its commitment to serve and partner to government in national building.

The Objective of the BGL CSR Policy is to: -

- Integrate business functions, goals and strategy with planned development agenda.
- Ensure an increased commitment at all levels in the organization, to operate its business in an economically, socially & environmentally sustainable manner, while recognizing the interests of all its stakeholders.
- To directly or through implementing agencies take up programs that benefit the communities in & around the areas where the company operates in India and over a period of time, in enhancing the quality of life especially the underprivileged, and wherever possible, interact with identified NGOs and augment their efforts in this direction for overall well-being of the local populace.
- To play a major role in transforming society through education, health and environment awareness.
- To generate, through its CSR initiatives, a community goodwill for BGL and help reinforce a positive & socially responsible image to BGL as a corporate entity.

### 3. **SHORT TITLE AND APPLICABILITY:** -

This policy, which encompasses the Company's philosophy for outlining its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large, is titled as the '**BGL CSR Policy**'.

This policy shall apply to all CSR initiatives and activities taken up at the various work-centers and locations of BGL, for the benefit of different segments of the Society, and as identified under Schedule VII of the Companies Act, 2013 namely the deprived, under privileged and differently abled persons.

This Policy shall be read in line with Section 135 of the Companies Act 2013, the Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other rules, regulations, circulars, and notifications (collectively referred hereinafter as 'Regulations') as may be applicable and as amended from time to time.

#### **4. GUIDING PRINCIPLES: -**

Toward this commitment, the company shall: -

- I. Act as a socially responsible company, delivering maximum value to its stakeholders.
- II. Behave ethically and contribute towards economic development while improving the quality of life of our customers as well as local community and society at large.
- III. Develop strong environment consciousness in our operations and strive towards spreading awareness about the advantages of natural gas.
- IV. Conduct open and transparent business practices that are based upon ethical values and respect for communities and environment.
- V. Integrate business functions, goals and strategy with planned community development agenda.

#### **5. AREAS OF CSR INTERVENTION: -**

The area listed in the Schedule VII to the Companies Act, 2013 as amended from time to time (Annexure A) shall be taken as the guide for BGL's CSR initiatives.

BGL shall intervene in a manner so as to bring all round development of the communities in which it operates. In addition, BGL will also undertake initiatives for underprivileged such as the drivers of CNG run autos, taxis, trucks buses and others.

Thus, wherever possible, BGL shall promote adoption of communities/segments of the society for CSR Interventions. The geographical areas around the commercial activities of BGL shall be the main focus of these CSR interventions.

The primary focus of BGL will be in form of interventions in areas of health, education, environment and empowerment of women & underprivileged children.

BGL shall refrain from supporting political parties and their affiliates.

## **6. SELECTION OF AREAS FOR INTERVENTION: -**

Each year, the Board level CSR Committee shall select core areas for CSR intervention from the list and the activities to be undertaken in these areas. It shall recommend the same to the Board of Directors in advance.

The ongoing CSR Projects/activities shall also be reviewed and put up for necessary approval.

## **7. CSR BUDGET AND EXPENDITURE: -**

Two percent of the average net profits of the Company made during the three immediately preceding financial years *or as per the rules made or amended from time to time* as per the as per the relevant provisions of the Companies Act, 2013 shall be taken as the fund available for CSR activities for the prescribed year.

Any surplus arising out of CSR Projects/Programmes/activities shall not form part of the business profit of the Company and shall be spent dealt with as per provisions of the Companies Act, 2013.

Any amount remaining unspent pursuant to any ongoing project or not related to the ongoing project will be deposited in special account to be opened by the company in that behalf for that financial year or Fund specified in Schedule VII as specified in provision of section 135 of the Companies Act, 2013.

The Company's Board of Directors shall approve the CSR Expenditure, Annual Action Plan for that year based on the recommendations of the Board Level CSR Committee.

## **8. PLANNING: -**

The approach to CSR Planning shall be of long-term sustainability. The planning for the CSR Initiatives (from amongst the projects/ programmes as mentioned in this policy) shall start at least three months prior to the financial year in which they shall be implemented. It shall start with deliberations at the level of CSR Committee.

The planning shall take care of the following:

- Requirement relating to baseline survey / need assessment when required.
- Activities/initiatives to be undertaken
- Budget
- Implementing agencies -their selection and terms of engagement
- Prescribe Time -Lines
- Responsibilities and authorities for each activity /initiative
- Monitoring mechanisms-procedure and methodology
- Expected outcomes
- Evaluation -Concurrent and final evaluation/impact assessment

The CSR Plan for the year containing list of activities to be undertaken would be put up for approval to CSR Committee every year.

## **9. IMPLEMENTATION: -**

- a) The implementation of CSR activities in the identified areas shall be undertaken by the Company (BGL) itself or BGL through eligible government/non-government organisations (NGO), registered resident welfare associations, registered trusts, missions, academic institutions, specialised agencies and institutions, community-based organisations or self-help groups, registered as trusts or societies or companies registered under section 8 of the Companies Act, 2013 or through other entity as stated in the companies Act, 2013.
- b) Implementing agencies shall be selected on the basis of their experience and track record. The prescribed guidelines for selection of NGO's (**as per Annexure B of the CSR Policy**) shall be used for this purpose. Physical inspection of the site /facility /service shall be undertaken by the CSR Sub-committee or by members or senior officials of the Company nominated by the Board level CSR Committee prior to, in between and on completion of project.
- c) BGL shall prepare an agreement for the implementing agency clarifying the responsibility of BGL and the implementing partner, the fund release pattern and the expected outcome from the initiative. The monitoring and evaluation time frame shall also be clearly indicated.

- d) Fund utilisation certificate shall be obtained from the implementing organisation upon completion of project along with copies of corresponding invoices/bills. The implementing agencies shall be under obligation to submit audited accounts an appropriate time.
- e) BGL shall generate awareness among the staff about CSR and its activities. The Staff involved with CSR activities shall be provided with adequate training and orientation. The training may also be provided to the implementing partner for their capacity building.

**10.COMPOSITION OF CSR TEAM: -**

- a. There shall be a Board Level CSR Committee Comprising of three Directors one of whom shall be an independent Director. In case company does not appoint an independent director, *the CSR Committee shall comprise of three Directors.*
- b. There shall also be a CSR Support Cell at BGL with Functional in charge Marketing, HR and Projects and Finance. Board level CSR Committee shall be supported by the CSR Support Cell.
- c. Coordination and day to day operations of CSR shall be undertaken by the HR Department, enrolling other functions as Team Member.

The Board level CSR Committee shall monitor the CSR Policy and recommend the proposed interventions as well as CSR expenditure to the Board of Directors of BGL for approval. It shall update the Board of Directors on the Progress in the CSR initiatives on quarterly basis and shall also place the Annual CSR report before the Board of Directors at the end of the financial year.

## **11. PROCEDURE FOR RECEIPT, SHORT LISTING AND APPROVAL OF PROPOSALS: -**

The following procedures shall be followed while considering proposals:-

- BGL shall consider proposals received from institutions, agencies, associations or groups .
- BGL may develop suitable projects in select focus areas along with agencies having expertise in a particular field.
- BGL may also associate itself or support Government initiatives which fall in the list of CSR activities of BGL.
- The proposals shall be evaluated on the basis of prescribed criteria.
- The selected organisations shall be informed at least one month in advance of the financial year so as to complete the required formalities and start the work in time.
- The Continuation of ongoing projects shall also be communicated to the implementing partner at least one month in advance.

## **12. APPROVING AUTHORITY:-**

- CSR Support Cell at BGL shall evaluate all CSR proposals before forwarding the same for approval.
- All the individual CSR Proposals **up to Rs. 5 Lakhs** approved by Managing Director and Director Commercial on the recommendation of CSR Support Cell.
- All the individual CSR Proposals **above Rs.5 Lakhs and upto Rs. 20 Lakhs** shall require approval of Board Level CSR Committee.
- All the individual CSR Proposals **above Rs. 20 Lakhs** shall require approval of Board of Directors.

## **13. MONITORING AND EVALUATION: -**

The CSR Committee shall institute a transparent monitoring mechanism for implementation of the CSR Projects or Programmes or programmes or activities undertaken by BGL.



Monitoring of CSR Project shall be done by conducting quarterly meetings between BGL and implementing partners, submission of quarterly progress reports by the implementing partners as well as quarterly site visits by the BGL Staff.

BGL may appoint a suitable external agency if necessary, for end of the year evaluation of the year evaluation of the projects.

The Quarterly monitoring reports and the final evaluation and impact assessment reports, if required, shall be placed before the Board Level CSR Committee, who shall apprise the progress to the Board of Directors.

CSR Support Cell shall certify the completion of Jobs and apprise the status to the Board Level CSR Committee.

CSR initiatives of the Company will also be reported in the Annual Report of the Company as per the Companies Act, 2013.

Appropriate documentation of Annual CSR activities, executing partners and expenditure entailed will be undertaken on a regular basis.

The effective monitoring and implementation of the project with reference to the approved timelines and year wise allocation shall be certified by CFO for information of the Board on annual basis.

#### **14. DISPLAY OF CSR ACTIVITIES ON ITS WEBSITE:-**

The contents of this CSR Policy shall be disclosed in the Directors Report and displayed on website of BGL. The activities undertaken under CSR shall also be displayed on website.

## **ANNXURE -A**

### **Schedule VII**

**(See sections 135)**

#### **ACTIVITIES WHICH MAY BE INCLUDED BY COMPANIES IN THEIR CORPORATE SOCIAL RESPONSIBILITY POLICIES :-**

Activities relating to:—

(i) eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation including contribution to the Swachh Bharat Kosh setup by the Central Government for the promotion of sanitation and making available safe drinking water;

(ii) promotion of education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;

(iii) promoting gender equality and 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;

(vi) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, Argo forestry, conservation of natural resources and maintaining quality of soil, air and water “including contribution to the clean Ganga Fund setup by the Central Government for rejuvenation of river Ganga.

(v) 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 arts and handicrafts;

(Vi) Measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces ( CPMF) veterans and their dependents including widows.

(vii) Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports;

(x) contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund ( PM CARES Fund) any other fund set up by the Central Government or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

(ix) (a) 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 ; and

( b) Contribution 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 ;Ministry of Electronics and information Technology and other bodies , namely Défense 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 (SDG's).

(x) Rural development Projects;

(xi) Slum area development;

Explanation:- For the purpose of this item, the term slum area shall mean any area declared as such by the central government or any state government or any other competent authority under any law for the time being in force.

( xii) disaster management , including relief, rehabilitation and reconstruction activities.

## ANNEXURE -B

### **GUIDELINES FOR NGO SELECTION:-**

- The NGO should be registered under the Societies Registration Act or Indian Trust Act or Section 8 of the Companies Act 2013 and also should be registered under Section 12A & 80 G of the Income Tax Act .
- Object of NGO should cover CSR Activity
- Form CSR-I filed with MCA and Unique Registration CSR Number to be provided w.e.f. 01.04.2021
- It should provide a copy of its By -laws.
- It should have a permanent office in the State of Telangana / Andhra Pradesh or any other part of India and should be working in the state of Telangana / Andhra Pradesh for the past Three Years.
- It should have a governance structure- A functional board with regular Board Meetings
- It should have the required manpower and expertise to handle the initiative.
- It should provide information on the projects undertaken by it till date.
- It should have a clean track record. It should not have been blacklisted for unethical work or misappropriation of funds etc by any of the Government bodies.
- It should have an establishment track record of at least 3 years in undertaking similar programs / projects.
- It should have a Bank Account.
- It should have Income Tax Exemption Certificate.
- It should provide information on its funding sources.
- It should be able to provide a copy of the Audited Financial Statements and Annual Reports for the past 3 years

A copy of the relevant documents in support of the above has to be submitted to BGL either at the time of proposal or on approval of the project.