



# **CORPORATE SOCIAL RESPONSIBILITY POLICY OF IRM ENERGY LIMITED**

(Formerly known as IRM Energy Private Limited)

## 1. INTRODUCTION:

IRM Energy Limited (“the Company”) believes that Corporate Social Responsibility (CSR) is our commitment towards inclusive and sustainable growth. As a responsible Corporate Citizen, the Company undertakes a number of CSR activities in larger interest of the community, especially in the area of health, education, livelihood promotion, women empowerment, and childcare and environment protection.

IRM Energy Limited has developed this Policy for undertaking various programs in accordance with Section 135 of the Companies Act 2013 read with rules made thereunder.

The Company will undertake CSR activities specified in Schedule VII to the Act (Annexure A). At the same time, the Company is committed to the following:

- (a) Stakeholders (including tribal areas)
- (b) Clean Energy
- (c) Innovation in social sector

## 2. APPLICABILITY:

This Policy shall be applicable to the Company with effect from September 21, 2019.

## 3. SCOPE:

In furtherance of its CSR objects, the following are covered under this Policy:

- i. CSR projects implemented by the Company directly on its own,
- ii. CSR projects implemented in collaboration with other companies including Group Companies,
- iii. CSR projects implemented by the Company through a Trust or Society or Section 8 Company

## 4. DEFINITIONS:

In this Policy, unless the context otherwise requires:

“**Act**” means the Companies Act, 2013, Rules framed thereunder & any amendments thereto.

“**Administrative Overheads**” means the expenses incurred by the Company for ‘general management and administration’ of CSR functions in the Company but shall not include expenses directly incurred for designing, implementation, monitoring and evaluation of a particular CSR Project or Activity.

“**Annual Action Plan**” shall mean the annual plan detailing the following:

- a) the list of CSR Projects 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;

- c) the modalities of utilisation of funds and implementation schedules for the Projects;
- d) monitoring and reporting mechanism for the Projects; and
- e) details of need and impact assessment, if any, for the projects undertaken by the Company;

**“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.

**“Board of Directors”** means the Board of Directors of IRM Energy Limited.

**“CSR Committee”** shall mean the Corporate Social Responsibility Committee constituted by the Board of the Company in accordance with the Act,

**“Financial Year”** shall mean the period beginning from 1st April of every year to 31st March of the succeeding year.

**“Group Companies”** shall include –

- a) a holding, subsidiary or an associate company of the Company; or
- b) subsidiary of a holding company to which the Company is also a subsidiary and shall include its subsidiary or an associate company.

**“Rules”** under this Policy means Companies (Corporate Social Responsibility Policy) Rules, 2014 including any modifications, amendments or re-enactment thereof.

**“Net profit”** means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, 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 Act:

**“CSR Policy”** means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual.

**“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.

**“On Going Projects”** 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.

**“Section 8 Company”** means a company formed with the Charitable Objects and registered under this Act or under the Companies Act, 2013 or under any previous laws prevailing at the time being in force and registered under section 12A and 80 G of the Income Tax Act, 1961 including any modifications, amendments or re-enactment thereof.

**“Society”** means a society formed and registered under the Societies Registration Act, 1860 and registered under section 12A and 80 G of the Income Tax Act, 1961 including any modifications, amendments or re-enactment thereof.

**“Trust”** means a trust created and registered under the India Trusts Act, 1882 or under any other related laws and registered under section 12A and 80 G of the Income Tax Act, 1961 including any modifications, amendments or re-enactment thereof.

**“Website”** means website of the Company i.e. [www.irmenergy.com](http://www.irmenergy.com)

#### **5. CSR OBJECT:**

The Company channelizes its CSR projects in light of its guiding principle as enumerated by founders of Cadila group for all the years of care, support and nurturance that is being bestowed upon the organization.

The Company firmly believes that CSR is primarily, the responsibility of the Company in relation to the impact of its decisions and activities on the society and also the environment, through a transparent and ethical behaviour which is:

- a) consistent with sustainable development and welfare of society,
- b) taking into account the expectations of stakeholders,
- c) in compliance with applicable laws, and
- d) uniformly integrated and practiced throughout the Company.

#### **6. CSR VISION:**

The vision of the Company is to operate its activities in providing energy solutions to its customers in a manner that is efficient, safe & ethical, which minimizes negative impact on environment and enhances quality of life of the community, towards sustaining a holistic business. It intends to promote prosperity to the households covered by CSR activities of the Company.

#### **7. CONSTITUTION OF THE COMMITTEE:**

The Board of Directors of the Company shall constitute a CSR Committee of Directors comprising of at least three directors with one being an Independent Director.

#### **8. RESPONSIBILITY OF CSR COMMITTEE:**

CSR Committee shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy in consonance with the long-term vision and strategy of Company in respect of CSR activities, which shall include the following, namely:

- The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- The manner of execution of such projects or programmes as specified in sub-rule (1) of Rule 4 of the Rules;
- The modalities of utilization of funds and implementation schedules for the projects or programmes;
- Monitoring and reporting mechanism for the projects or programmes; and
- Details of need and impact assessment, if any, for the projects undertaken by the company and deciding the future ownership of the capital assets.
- Periodic review of individual initiatives and guiding the CSR team of the Company.
- Protocol to establish gender equity.
- Determining conditions for visibility of the Company contribution in the CSR activities through NGOs in which the Company has contributed.
- Recommend to the Board any alteration of the Annual Action plan at any time during the financial year, based on the reasonable justification to that effect.

#### **9. CSR ACTIVITIES:**

- The contribution will be made for any CSR activities undertaken within India.
- The Committee will give preference to the local area and areas around it where it operates in spending the amount earmarked for CSR activities

#### **10. CSR EXPENDITURE:**

##### Administrative Overheads:

The Board to ensure that the administrative overheads expenses not to exceed 5% of the total CSR expenditure of the Company in any financial year.

##### Surplus from the CSR Activities:

Any Surplus arising out of the CSR activity shall not be a part of the business profit of the Company. Such surplus shall be used on the following within a period of 6 months of the expiry of the financial year:

- Ploughed back into the same project.
- Transferred to the Unspent CSR Account; and
- Spent in pursuance of the CSR policy and the annual action plan of the Company
- Transfer such surplus amount to fund specified under Schedule VII of the Act.

##### Excess CSR Spent:

In case of excess CSR Spend in any year, such excess amount may be set-off against the requirement to spend up to immediate succeeding 3 financial years subject to:

- a) the excess amount available for set off will not include surplus arising from CSR Activities; and
- b) the Board to pass a resolution to that effect.

#### Creation or Acquisition of Capital Assets:

The CSR amount can be spent for creation or acquisition capital assets which shall be held by:

- a) a company established under section 8 of the Act or Registered Public Trust or Registered Society, having Charitable objects and CSR Registration Number under the Rules; or
- b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- c) Public authority

#### Transfer of Unspent amount of CSR:

If the Company fails to spend such amount, the Board shall ensure that the unspent amount (unless relating to on-going project) shall be transferred to the specified fund in accordance with the Act and CSR Rules. If CSR expenditure in a financial year exceeds the statutory limit, such excess may be set-off against CSR expenditure for the next three financial years in accordance with the Act and CSR Rules. The unspent amount relating to the on-going project shall be transferred to a special account in accordance with the Act and CSR Rules.

### **11. RESPONSIBILITY OF BOARD OF DIRECTORS:**

The role of the Board with respect to CSR is as under:

- Review and approve the recommendations of CSR Committee in respect of annual budget for CSR
- To formulate and recommend annual action plan in pursuance of its CSR policy;
- To approve the CSR projects or programmes that are recommended to be undertaken in areas or subjects specified in the Act; along with the manner of execution of such projects or programmes as specified in the Act;
- To ensure that the funds are utilized for approved purpose and shall be certified by the Chief Financial Officer (CFO) or Person in charge of finance.
- To monitor the implementation of ongoing projects and make modifications in such projects to ensure smooth implementation of the project within permissible time period.
- To review and approve the Annual Action Plan in pursuance of the CSR Policy of the Company and make any Alteration to such Plan at any time during the financial year, as may be recommended by the CSR Committee; and
- Ensure that the Company spends in every financial year, at least two percent of the average net profits made during the three immediately preceding financial years of the Company on CSR activities;
- In case of excess CSR Spend in any year, to approve and pass a resolution to the effect that the excess amount may be set off against the requirement to spend in the 3 immediate succeeding financial years.

- Impact Assessment: In the event of the average CSR obligation of the Company in the 3 immediately preceding financial years being Rs.10 Crore or more as under:
  - To undertake Impact Assessment through an Independent Agency for all projects of 1 Crore or more which have been completed not less than 1 year before undertaking the impact study.
  - To consider and approve the impact assessment reports which shall be annexed to the annual report on CSR.
  - To consider and approve the Cost of the Impact Assessment which shall be the higher of 2% of CSR Expenditure or Rs 50,00,000/-.

## **12. DISBURSEMENT OF CSR AMOUNT:**

The Company may undertake CSR activities, on its own or by pooling the resources into any Trust or Society created for charitable purpose, or other charitable company or not-for-profit organisations (NGOs) or any combination thereof.

The CSR Committee will decide on the budget allocation for CSR Projects and Programmes and the instalments for disbursement of amount as part of the Annual CSR Plan and recommend the same to the Board for its approval.

## **13. PARTNERING ORGANISATIONS**

While undertaking any project or program with other partnering organizations, the Company will undertake due diligence to evaluate the NGO's reputation, track record, capacity and competency, including organization structure, requisite permits and licenses, presence in desired geography and compatibility with the CSR Policy and satisfy itself that the entities in the list of eligible entities through which the company shall undertake the CSR Project or Programme are registered with the Central Government as required under the CSR Rules in this behalf.

### Process for Undertaking CSR Activities / Projects through Partnering NGOs

The following procedure will be adhered to while undertaking/ funding CSR activities/ projects through NGOs:

- Presentation of Project / program details.
- Scheduling of disbursements of funds relating to the program and monitoring Scheduling of disbursements of funds relating to the program and monitoring system in accordance with pre--agreed milestones with NGO.
- The Committee and Board whilst approving the projects and making any contribution, will specify the activities for which it is made and the amount for the same.

## **14. DISSEMINATION OF INFORMATION**

CSR Policy and activities undertaken shall be disseminated on website for public access and shall be published in the Annual Report of the company in the format prescribed under the Act and CSR Rules.

## **15. LAWS TO TAKE PRECEDENTS AND AMENDMENTS:**

In case of any change in the CSR provisions under the Act and / or the Rules or notified through any separate notification or circular or clarification or guidance note, implementation of this Policy and incurring of the CSR expenditure may be made based on the amended provisions even if the same is / are contrary to this Policy and without immediate need to amend the same.

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### Footnotes:

(a)The Board approved the Policy at its meeting held on September 21, 2019



(b)The Board amended the Policy at its meeting held on September 24, 2022

## **Annexure A**

Activities which may be included by companies in their Corporate Social Responsibility Policies Activities relating to:

- i. 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.
- ii. promoting 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, 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.
- iv. 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 including contribution to the Clean Ganga Fund set-up 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 art and handicrafts
- vi. measures for the benefit of armed forces veterans, war widows and their dependents.
- vii. training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports.
- viii. 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.
- 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 or Public Sector Undertaking or any agency of the Central Government or State Government; and  
(b). 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).
- x. rural development projects.

xi. slum area development

Explanation- For the purposes 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.

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