

CSR POLICY 2025

1.0 INTRODUCTION

1.1 ONGC conducts its business as a responsible corporate and believes in holistically addressing all issues related to People, Planet and Profit for a sustainable business and better future for all living beings. ONGC is committed to achieve inclusive growth of the marginalized and deprived sections of the society through its CSR initiatives to be implemented within the geographical boundaries of India, with preference to its Operational Areas, by supplementing government's effort and / or by making independent efforts.

1.2 Vision

To support responsible and sustainable initiatives, while taking care of the concern for People, Planet and Profit.

1.3 Mission

- Continually enhance the triple bottom line benchmarks of economic, environmental and social performance through committed involvement of the employees and other relevant stakeholders.
- To develop social wealth for the communities we engage with.
- Promote efficient usage of scarce resources, encourage green energy initiatives and develop innovative solutions to fulfil the vision by stepping beyond the mandatory provisions.

2.0 ABBREVIATIONS / DEFINITIONS

2.1 "Act" means the Companies Act, 2013 (18 of 2013) and all its subsequent amendments. Any subsequent revisions to the Companies (Amendment) Act, 2020 will be construed to be accepted by ONGC. References to particular sections of the Act shall be automatically construed to refer to relevant sections in the amended Act.

2.2 "MCA/DPE Guidelines" means any guidelines/FAQs/notifications issued by the Ministry of Corporate Affairs, Government of India or Department of Public Enterprises, Ministry of Finance, Government of India

2.3 "Rules" means the Companies (CSR Policy) Rules, 2014 issued by the Ministry of Corporate Affairs (MCA), as amended from time to time. Any subsequent revisions to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2025 will be construed to be accepted by ONGC.

2.4 The following terms used in this policy statement are applied as per their definitions given in the Act or Rules

- i. Administrative overheads
- ii. Corporate Social Responsibility (CSR)
- iii. CSR Committee
- iv. CSR Policy
- v. Net profit
- vi. Ongoing Project
- vii. Public Authority
- viii. International Organization

3.0 PURPOSE

- This CSR policy is a policy statement containing the intent, approach and direction given by the board of ONGC, 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 action plan, mode of implementation of CSR projects, monitoring mechanisms to monitor implementation of CSR projects of ONGC and assess the impact of CSR projects on Sustainable Development Goals;

- To envision, execute and manage long enduring projects of up to 3 years duration (excluding the year of commencement), or the limits prescribed by the Rules in vogue. The projects shall be undertaken with a wide geographical spread and larger social impact. The focus shall be on inclusive growth of marginalized and deprived sections of the society as well as achievement of Sustainable Development Goals.

4.0 SCOPE & INTERPRETATION

- 4.1 ONGC has developed this Corporate Social Responsibility (CSR) Policy in consonance with the CSR Policy framework enshrined in section 135 of the Act, and in accordance with the Rules and Guidelines on CSR for Central Public Sector Enterprises issued from time to time by MCA/DPE.
- 4.2 It shall apply to all CSR Projects undertaken by ONGC as per liberal interpretation of activities listed in Schedule-VII of the Act, within the geographical limits of India alone, except for training of Indian sports personnel representing any State or Union territory at national level or India at international level and preferably towards the benefit of marginalized, disadvantaged, poor and deprived sections of the community and the environment and achievement of Sustainable Development Goals.
- 4.3 Any point not covered by this Policy would be interpreted in accordance with the existing Rules and latest MCA/DPE Guidelines, with regard of CSR implementation by CPSEs, with the Rules and MCA/DPE Guidelines taking precedence over the ONGC CSR Policy in case of any conflict.

5.0 GOVERNANCE

- 5.1 Board of ONGC, taking into account the recommendations of its CSR Committee, will devise guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan of CSR activities in ONGC, mode of implementation of CSR projects, monitoring mechanisms to monitor implementation of CSR projects of ONGC and assess the impact of its CSR projects on Sustainable Development Goals;
- 5.2 The powers for approval and sanction of individual projects shall be as per the delegated powers in the Book of Delegated Powers, as approved by the Board of ONGC and as modified from time to time.
- 5.3 In case of ongoing project, Board of ONGC, through its delegated powers, shall
 - (a) monitor the implementation of the project with reference to the approved timelines and year-wise allocation and
 - (b) be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.
- 5.4 Board of ONGC shall ensure that Administrative Overheads shall not exceed 5% of the total CSR Expenditure of the company for the financial year, or as per the limits prescribed in the Rules in vogue;
- 5.5 The CSR Committee of the Board shall formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:-
 - (a) the list of CSR projects that are approved to be undertaken in areas or subjects specified in the Schedule VII of the Act;
 - (b) the manner of execution of such projects as specified in sub -rule (1) of rule 4 of the Rules, will be followed by ONGC in this regard;
 - (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 ONGC: Provided that Board of ONGC may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee of the board, based on the reasonable justification to that effect.
- 5.6 Board of ONGC may alter Annual Action Plan of CSR activities at any time during the financial year, as per the recommendation of its CSR Committee of the board, based on the reasonable justification to that effect.
- 5.7 The Corporate CSR Group, New Delhi and the CSR Departments at work centres will be responsible for administering and executing the policy. As ONGC CSR activities evolve further and in line with MCA/DPE Guidelines and Amendments issued from time to time, the policy may be revised with the approval of the Board of ONGC based on recommendations of the CSR Committee.
- 6.0 CSR ACTIVITIES**
- 6.1 CSR Projects will be identified by the Corporate CSR Group, New Delhi and the CSR Departments at work centres across India, as per the criteria set in para 4.2 of this policy.
- 6.2 Budgets will be allocated for CSR projects through a process incorporating identification of suitable implementation agencies, need assessment (wherever required) and clear outlining of desired outcomes of CSR projects.
- 6.3 All CSR activities will be in in projectised mode, which will, as far as feasible, entail the following components:
 - i. Need Based Assessment / Baseline survey / Study where considered necessary / feasible;
 - ii. Identification of specific and measurable objectives / goals in identified sectors and geographies;
 - iii. Formation of the project and preparation of Detailed Project Report (DPR);
 - iv. Identification of time lines – clear specification of start date and end date;
 - v. Specification of annual financial allocation;
 - vi. Clear identification of beneficiaries (by name where possible);
 - vii. Clear identification of milestones for the complete duration of the Project;
 - viii. Preparation and signing of agreement with Implementing Agencies;
 - ix. Preparation and implementation of a comprehensive and concurrent documentation procedure;
 - x. Robust, periodic review & monitoring;
 - xi. Evaluation & Assessment, preferably both concurrent and final (wherever possible, by a competent third party);
 - xii. Mandatory Reporting on Management Information System devised for the purpose of monitoring progress of CSR projects.
- 6.4 Opportunities for implementing projects which complement / supplement Government initiatives / programmes will be explored. However, no direct contribution will be made to such initiatives, except where the Act / Rules specify such allocation.
- 6.5 ONGC will lay emphasis on the sustainability of its projects to ensure they remain relevant and viable even upon disengagement at the end of the project period.
- 6.6 ONGC will explore possibilities for collaborating / co -operating with other Corporate / National / Multi- lateral / Bi-lateral Agencies to synergise its efforts and increase both financial resources as

well as outcomes and impact in such a manner that the CSR Committee is in a position to report separately on such projects in accordance with the rules.

7.0 CSR PLANNING

- 7.1 To assist in planning of the activities, the indicative budget allocation for broad sector of Activities will be delineated in the Annual Action Plan which shall be formulated and recommended by the CSR Committee and submitted to the Board for approval as per para 5.5 of this policy
- 7.2 The Guidelines issued by the MCA/DPE from time to time for spending CSR in specific focus areas shall also be considered for forming the Annual Action Plan for of CSR projects.
- 7.3 ONGC shall give preference to well defined Project operating principles during the planning stage for the identification and implementation of its CSR Projects to ensure optimal utilisation of the CSR budget.
- 7.4 ONGC shall endeavour to understand the stakeholder expectations through a structured engagement process and communication strategy and shall leverage this understanding for betterment of all the stakeholders.

8.0 CSR IMPLEMENTATION

- 8.1 Implementation of the CSR projects shall be by ONGC itself, through the ONGC Foundation, or by implementing agencies fulfilling the criteria laid down under the Rules. Implementing agencies shall necessarily be fulfilling the criteria specified in Annexure -1 of this Policy. Only agencies with a valid CSR-1 registration number will be engaged for CSR project implementation.
- 8.2 The CSR process of ONGC has been digitalised with the launch of the ONGC CSR portal www.ongccsr.co.in to make the process transparent and efficient. With effect from. 01-Apr-2024, all implementing agencies shall be required to register themselves on the portal and proposals shall be accepted through the portal only.
- 8.3 ONGC will endeavour at all times to build and develop the skills of its CSR team and enhance level of CSR awareness within the organization and may also engage International Organizations for capacity building of its own CSR personnel.

9.0 CSR BUDGET AND EXPENDITURE

- 9.1 The Board of ONGC will ensure that in each Financial Year (FY), at least two percent of the average net profit (calculated as per Section 198 of the Act) made during the three immediately preceding Financial Years is spent on CSR activities / projects.
- 9.2 The Board of ONGC will satisfy itself that the funds disbursed have been utilised for the purposes and in the manner as approved by it and the Director (Finance) shall certify to the effect.
- 9.3 In the event, that amount indicated in para 9.1 above is not spent in its entirety in that Financial Year, the reasons thereof will be outlined as per section 134 (3) (o) of the Act to be shared with all the stakeholders through the Annual Report and the unspent amount shall be transferred as per the provisions of section 135 (6) of the Act.
- 9.4 Any surplus or profit arising out of CSR activities / projects shall be dealt with as per Rule 7(2) of the CSR Rules, or the Rules in vogue. Rule 7(2) presently states that such surplus shall not form part of the business profit of the company and shall be ploughed back into the same project or shall be transferred to the unspent CSR Account and spent in pursuance of CSR Policy and Annual Action Plan of the Company or transferred to a fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- 9.5 In an event where CSR expenditure is in excess of requirement under section 135 (5) of the Act, such excess amount may be set-off against the requirement to spend under section 135 (5) of the Act, up to immediate succeeding three financial years subject to the condition that -

- (a) this excess amount shall not include any surplus arising out of CSR projects; and
 - (b) Board of ONGC shall pass a resolution to this effect
- 9.6 Any capital asset created/acquired out of CSR funds shall be held by such entities as defined in the Rules in vogue, namely
- (a) a company established under section 8 of the Act, or a registered Public Trust or Registered Society having charitable objects and CSR Registration Number, or
 - (b) beneficiaries of the said project, in the form of self- help groups, collectives, entities or
 - (c) a Public Authority;
- 9.7 Expenditure towards Impact Assessment will be booked towards Corporate Social Responsibility for that financial year, which shall not exceed two percent of the total CSR expenditure for that financial year (in which impact assessment is being carried out) or fifty lakh rupees, whichever is higher, or as per the limits prescribed by the Rules in vogue.
- 9.8 In CSR Projects funded jointly by ONGC and other companies / sources, CSR expenditure shall be claimed only for funds disbursed and utilised by ONGC.

10.0 MONITORING & EVALUATION

- 10.1 A comprehensive Monitoring mechanism will be devised by ONGC to ensure that the CSR process functions as mandated by the Act and the Rules, ensuring that all Projects are duly implemented as budgeted. This will be done on the basis of the following:
- Engaging National & International Organizations, if required, for designing, monitoring and evaluation of the CSR projects
 - Allocation of a separate budget for setting up and running the monitoring system;
 - Installation of an electronic MIS and human architecture that shall work together to ensure a firm check on spends and the actual implementation of activities as planned;
 - Release of funds only against verified utilisations.
- 10.2 The monitoring system devised by ONGC will include:
- Field visits to Project sites by ONGC official(s) for projects with a financial outlay of Rs. 3 crore and above. For other cases, field visits may be conducted as per merit;
 - Comprehensive documentation / compilation of Field Visit Reports;
 - Regular interaction with beneficiary communities to obtain feedback;
 - Monitoring of timely fund utilization to ensure that Projects as budgeted are actually being carried out and/or
 - Any other activity that the CSR Committee may deem necessary in the larger interest of its CSR initiatives.
 - The monitoring of the projects shall be carried out and quarterly Action Taken Reports (ATRs) shall be submitted to the Board. Professional agencies may also be hired for carrying out Monitoring & Evaluation.

11.0 IMPACT ASSESSMENT/EVALUATION OF CSR

- 11.1 In order to assess the impact of its CSR Projects, maximize outcomes and build - in sustainability, scalability and replicability, ONGC shall undertake the following activities:
- Wherever possible, Base line data shall be collected before start of the project.

- As far as possible efforts will be made to use Quasi Experimental Research design for assessing the impact of CSR projects.
- Impact Assessment, through an independent agency, of the CSR projects having outlay of Rs. 1 Cr. or more and which have completed not less than one year before undertaking the impact study, or as mandated in the Rules in vogue.
- Placing before the Board, the Impact Assessment reports and annexing the same to the annual report on CSR

12.0 REPORTING

- 12.1 ONGC will make a full report of its CSR projects undertaken during the previous year in the format prescribed for the “Annual Report on CSR Activities to be included in the Board’s Report” as per Rules and other formats as required by MCA/DPE guidelines.

13.0 DOCUMENTATION

- 13.1 ONGC will endeavour at all times to put in place, for all projects, an effective documentation process. The comprehensive documentation would include – printed material, audio recordings, video recordings etc.
- 13.2 Also, Project completion report documenting the key project parameters, implementation process, deliverables envisaged and the outcome achieved along with end line data and the suggestions / recommendations for scalability and replicability of the project may be developed wherever feasible.
- 13.3 Documentation of all data generated during project execution shall be maintained by the CSR department.

14.0 DISCLOSURE

ONGC shall comply with Section 135 (2), 135 (4) (1) and 134 (3) (o) of the Act thereby ensuring that it makes a full disclosure of its CSR Policy, Projects, Activities, Expenditure details as well as the composition of the CSR Committee of the Board on the corporate website of ONGC [i.e. www.ongcindia.com](http://www.ongcindia.com).

15.0 ACCOUNTING AND AUDITING

- 15.1 ONGC will follow the Accounting and Auditing Guidance Note / Standards / Circulars / Notifications duly issued / approved by MCA/DPE and Institute of Chartered Accountants of India (ICAI), if any.
- 15.2 Both Financial and non-Financial audit of CSR activities and projects shall be done in accordance with the Guidelines issued by MCA / DPE / ICAI.

CRITERIA TO BE FULFILLED BY IMPLEMENTING AGENCIES

1. Implementing agency must be an entity eligible for implementing CSR projects as defined in Rule 4 of the Companies (CSR) Rules, 2014 and its subsequent amendments, viz.
 - a) ONGC Foundation, the trust set up by ONGC, especially for carrying out the CSR activities of ONGC and to manage the CSR assets created by ONGC, duly registered under the Indian Trust Act, 1882 vide registration no. 1120 in Book No. 4 Vol. No. 1560 with PAN no. AAAT04581A and CSR-1 registration no. CSR00000594 as per the provisions contained under Rule 4(2) of the Rules;
 - b) 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;
 - c) any entity established under an Act of Parliament or a State legislature;
 - d) a company established under section 8 of the Act, or a registered public trust or a registered society; exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities

Note: For the purpose of clause (c), the term “entity” shall mean a statutory body constituted under an Act of Parliament or State legislature to undertake activities covered in Schedule VII of the Act.

2. CSR-1 registration and NGO Darpan registration shall be mandatory for agencies registered under clauses (a) and (d) above
3. Agencies blacklisted on NGO Darpan portal of the Niti Aayog, Government of India, shall not be engaged as Implementing Agencies of CSR projects by ONGC
4. All Implementing Partners will have to furnish the relevant information pertaining to the eligibility criteria as per the Rules, in addition to the information already required to be furnished on the ONGC CSR Portal.
5. Agencies not fulfilling the criteria as mentioned above will not be considered as Implementing Agencies for CSR Projects.
6. For implementing agencies fulfilling criteria under 1(d) above, maximum financial assistance in a CSR project shall be determined based on track record of the implementing agency. Track record shall be evaluated as per ONGC’s internal guidelines.
7. In case of any ambiguity arising in the CSR Policy and the ONGC CSR Portal, CSR Policy shall supersede the ONGC CSR Portal.