

HALDIA PETROCHEMICALS LTD

ANNUAL ACTION PLAN OF CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR FY 2021-22

1. Introduction

CSR activities of Haldia Petrochemicals Limited are carried out on the basis of broad guidelines enumerated in the Company's CSR Policy.

HPL has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is posted on the Company's website at <https://www.haldiapetrochemicals.com>.

CSR activities are undertaken either by the Company directly or through TCG Foundation in partnership with Academic Institutions, Hospitals, Not for Profit Organisations etc. The Foundation is a Registered Trust with more than three years' experience in implementing and monitoring CSR Projects and such Projects have been undertaken in areas or subjects specified in Schedule VII of the Companies Act.

The geographical spread of these projects ranges from remote villages in Purba Medinipur to Haldia and areas adjacent to the Plant. A few projects have been implemented in Paschim Medinipur, Howrah, Hooghly and Kolkata as well.

As per HPL's CSR Policy, the primary thrust areas are Promoting Education and Higher Education and Research. The Company also supports projects that create enabling opportunities and facilities to help disadvantaged students pursue Higher Education.

Apart from Promoting Education, the CSR Policy allows identification of projects in areas of Healthcare, Health Awareness, Employment Oriented Skill Development, Women's Empowerment on Family, Legal and Financial matters, Sanitation etc.

HPL has supported CSR Projects through TCG Foundation for three (3) consecutive years. From FY 2017-18 to 2019-20, forty (40) CSR projects have been implemented with the objective of promoting Higher Education and Research, School and College Education for the benefit of disadvantaged students, Healthcare in Rural Areas, Environmental Sustainability, Sanitation, Safe Drinking Water etc.

2. HPL's CSR Liability (FY 2020-21 and 2021-22)

- i) For FYs 2017-18, 2018-19 and 2019-20, HPL incurred a loss of Rs 185 Cr, Rs 585 Cr and Rs 1,350 Cr respectively.

Net Profit for last 3 Financial Years being negative, HPL did not have any statutory CSR liability for FY 2020-21.

- ii) For the current FY 2021-22: HPL will not have any statutory CSR liability. This is because, it will have a negative Net Profit of Rs 935 Cr for the 3 preceding financial years as shown below:

<u>Financial Yr</u>	<u>Profit / Loss</u>
2018-19	Rs 585 Cr (Loss)
2019-20	Rs 1350 Cr (Loss)
2020-21	<u>Rs 1000 Cr (Profit)</u>
Total	<u>Rs 935 Cr (Loss)</u>

3. HPL's Annual Plan as per Companies (Corporate Social Responsibility Policy) Amendment Rules notified on 22nd Jan, 2021

This Annual Plan formulated in pursuance of HPL's CSR Policy is to be reviewed and approved by Members of the CSR Committee and subsequently placed in HPL's first Board Meeting of FY 2021-22.

a) *List of CSR Projects - Proposed Voluntary CSR Activities in FY 2021-22*

Since HPL does not have a mandatory CSR Liability for FY 2021-22, the following projects may be considered, provided Voluntary CSR Activities are undertaken by the Company based on Requests and Proposals from Institutes and Organizations:

Srl No.	Project Description & Partner Organization	Status	Estimated Project Cost (Rs)	Maximum Voluntary Contribution by HPL
1.	Conversion of Sludge to Biomass to be used for co-firing with Coal in CFBC Boilers– IIT KGP	Proposal Received – not yet approved	27 lakhs	27 lakhs
2.	HDA approved Educational, Health, Environmental Projects in Purba Medinipur- Schools, Hospitals, NGOs	May receive request from HDA during FY 2021-22	100 lakhs	50 lakhs
3.	Educational Projects - RKM Belur/Narendrapur/ Jhargram	One Proposal Received from RKM Residential College, Narendrapur	15 lakhs	7.5 lakhs
4.	Others (IISER etc)		75 lakhs	50 lakhs
		TOTAL	217 lakhs	134.50 lakhs

It may be noted, the above list of projects is subject to change during FY 2021-22, depending upon the Management's objectives, priorities, importance of projects in terms of social impact and availability of funds.

b) Manner of Execution of CSR Projects

As before, CSR Projects will be executed through TCG Foundation.

- HPL to ensure - TCG Foundation is a registered Public Charitable Trust with a track record of 3 years in undertaking CSR/similar activities and is registered under section 12A and 80G of the Income Tax Act, 1961.
- HPL to also ensure the Foundation is registered with MCA by filing Form CSR – I and has obtained a Unique Identification Number
- HPL to lay down guidelines to the Foundation for documenting, initiating, implementing, monitoring and reporting to the Company as per Amended Rules

c) Modalities of Utilization of Funds and Implementing Schedules for Projects and Programmes

HPL to consider and approve Utilization of CSR Contribution transferred to the Foundation in two ways:

- As projects progress and monitoring visits are completed, the Foundation pays selected Contractors, Vendors against certified invoices
- The Foundation transfers required funds as per Project Cost to reputed organizations
The Foundation collects certified UCs, Statement of Expenses, Final Reports and Completion Certificates from Partner Organizations and shares them with HPL

Projects should preferably be identified, selected and implemented within the first quarter of FY 2021-22 and be completed within March 31st, 2022.

d) Monitoring and Reporting mechanism for Projects or Programmes

- HPL to collect Visit Reports, Project Photographs from TCG Foundation and present them for discussion at CSR Committee Meetings
- HPL to convene 2-3 CSR Committee Meetings during FY 2021-22
- HPL Board to satisfy itself that the funds so disbursed to the Foundation have been utilized for the purposes and in the manner as approved by it and the CFO or the person responsible for financial management shall certify to that effect
- The Board's Report to include an Annual Report on CSR containing particulars specified in Annex I and Annex II as applicable for projects implemented with effect from 1st April 2020
- The Board of Directors of HPL to mandatorily disclose its CSR Policy, composition of the CSR Committee and Projects approved by the Board on the Company's website for public access and knowledge

e) Need and Impact Assessment

- If required, The Company may designate an Independent Agency to conduct a Need and Impact assessment study on any of its approved project. The Impact Assessment Report shall be placed before the Board and shall be annexed to the Annual Report on CSR

The Board may alter this Annual plan recommended by its CSR Committee at any time during FY 2021-22 based on reasonable justification to that effect.