



TOLANI SHIPPING CO. LTD.

**CORPORATE SOCIAL RESPONSIBILITY
("CSR") POLICY**

**CORPORATE SOCIAL RESPONSIBILITY (“CSR”) POLICY OF
TOLANI SHIPPING COMPANY LIMITED**

1. INTRODUCTION

Tolani Shipping Company Limited (“TSCL”) is committed to undertake Corporate Social Responsibility (CSR) initiatives in accordance with the provisions of Section 135 read with Schedule VII of the Companies Act, 2013 (as per Appendix 1) as amended from time to time.

2. AIMS AND OBJECTIVES

- (i) To develop a long-term vision and strategy for TSCL CSR objectives.
- (ii) TSCL shall promote CSR projects that are:
 - (a) Sustainable and create benefit to humanity;
 - (b) Have specific and measurable goals in alignment with TSCL’s philosophy;
 - (c) Address the cause and needs of its CSR beneficiaries.
- (iii) To establish process and mechanism for the implementation and monitoring of the CSR activities of TSCL.

3. CSR APPROACH AND GUIDING PRINCIPLES

- (i) The Company will consider inter alia, the following parameters as its guiding principles for identifying, selecting, implementing and monitoring its CSR activities/projects:
 - (a) should have a multi-dimensional impact for the sustainable and holistic development of the CSR beneficiaries
 - (b) should make a sustained positive contribution to the welfare of society at large
 - (c) Have specific and measurable goals in alignment with TSCL’s philosophy
- (ii) The Company’s approach for contribution towards CSR is to support the activities for improving the quality of life of the people by focusing on the immediate/priority social causes. The specific activities will be recommended by the CSR Committee and submitted for approval of the Board.

4. COMMITTEE COMPOSITION

The Board will constitute the CSR Committee which will consist of three or more Directors of which atleast one shall be an Independent Director. Members of the CSR Committee may be replaced by any other member of the Board.

5. COMMITTEE MEETINGS

The CSR Committee shall meet as often as its members deem necessary to perform the duties and responsibilities.

6. DUTIES AND RESPONSIBILITIES OF CSR COMMITTEE

- (i) Formulate and recommend to the Board Annual Action Plan containing particulars as specified in the Companies Act, 2013 and the relevant Rules thereunder for the CSR activities/programs to be undertaken by TSCL and alteration in the Annual CSR Action Plan, if any at any time during the financial year.
- (ii) Formulate and recommend to the Board CSR activities / programs to be undertaken by TSCL.
- (iii) Review of the CSR activities undertaken by TSCL. The CSR Committee shall be guided by the Annual Action Plan and the list of activities specified in Schedule VII to the Companies Act, 2013 and any revision thereon.
- (iv) Recommend the CSR Expenditure to be incurred on CSR activities / programs.
- (v) Institute a transparent mechanism for implementation of the CSR projects and activities and effectively monitor the execution of the CSR activities.

7. RESPONSIBILITY OF THE BOARD OF DIRECTORS OF TSCL

- (i) Approve the Annual Action Plan, alter the Annual Action plan as recommended by the CSR Committee, if so required based on reasonable justification
- (ii) Approve the CSR Policy and the CSR Expenditure after taking into consideration the recommendations made by CSR Committee.

- (iii) Ensure the CSR spending every financial year be at least 2% of the average net profits made during immediately preceding three financial years.
- (iv) Ensure that the CSR activities included in the CSR Policy are generally undertaken by TSCL and that such activities are related to the activities specified in Schedule VII of the Companies Act, as amended from time to time.
- (v) In case of ongoing project i.e. a multi-year project having timelines not exceeding three years excluding the financial year in which it was commenced, the Board shall monitor the implementation of the project with reference to the approved timelines and year wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.
- (vi) Ensure disclosure of the composition of the CSR Committee, contents of the CSR Policy and Projects approved by the Board on the website of TSCL, as and when it is created.
- (vii) The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.
- (viii) TSCL shall (a) undertake the CSR activities directly or collaborate with other registered Charitable Trust or a registered Society or a Section 8 Company (Non-profit entity) under the Companies Act, 2013 for pursuing its CSR activities (b) contribute/donate to such other organization /institutions as may be permitted under the applicable laws from time to time.

8. CSR SPENDING

- (i) The Committee shall endeavor to spend at least 2% of the average net profit made during the preceding three financial years on CSR activities as per Appendix 1. In case the average net profit for last three financial years are in the negative, the company is not required to spend on its CSR activities.
- (ii) The amount to be spent on CSR activities would be such amount as sanctioned by the Board of Directors based on the annual budget of TSCL. The amount sanctioned by the Board of Directors of TSCL shall be utilized for pursuing projects and programs as specified by the CSR Committee of TSCL. The unspent amount, if any, at the close of the financial year shall be spent on specified projects/programs as approved.

- (iii) Where the Company spends an amount in excess of requirement, such excess amount may be set off by the Board against the requirement to spend up to immediate succeeding three financial years subject to the conditions that –
 - (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any.
 - (ii) the Board of the Company shall pass a resolution to that effect.
- (iv) Any surplus arising out of the CSR activities 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 as per the provisions of the Companies Act, 2013
- (v) CSR Expenditure shall mean all expenditure incurred in respect of projects / programs relating to approved CSR activities.
- (vi) CSR Expenditure shall not include expenditure on any item not in conformity or not in line with activities which fall within the purview of the CSR activities listed in para 9 below.
- (vii) CSR Expenditure shall not include projects or programs or activities undertaken outside India.

9. MODE OF IMPLEMENTATION

The CSR programs, projects or activities of the company would be implemented by any of the following modes:

1. Directly by the Company;
2. Through any of the entities/companies eligible to undertake such CSR projects as per the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules framed thereunder as amended from time to time

10. IMPACT ASSESSMENT

- (i) If the Company has an average CSR obligation of ten crore rupees or more, in the three immediately preceding financial years, it shall undertake impact assessment, through an independent agency, of their CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study.

- (ii) The impact assessment reports if applicable shall be placed before the Board and shall be annexed to the annual report on CSR.

11. CAPITAL ASSET

Capital Asset acquired or created by the CSR Projects should be held by the beneficiaries of the said CSR Project or a trust or a public authority for the benefits of all. Appropriate measures to be taken to ensure that such assets are utilized for the purpose it is meant for and should not be transferred or disposed off without prior permission of the Company.

12. MONITORING AND REVIEW MECHANISM

The CSR Committee will be responsible for monitoring CSR activities and report to the Board from time to time.

The CSR Committee has the powers to:

- (a) Obtain monitoring and implementation report from the organization receiving funds from TSCL
- (b) Delegate to a designated official/person to co-ordinate, inspect the activities undertaken and ensure information in a timely manner.
- (c) The Board of Directors:
 - (i) To receive in a prescribed format report on CSR spends.
 - (ii) A report on the progress of the CSR Projects/Activities will be made to the Board of Directors by the CSR Committee, from time to time.

13. EXCLUSIONS FROM CSR ACTIVITIES

The following activities do not qualify as CSR Activities under the Companies Act, 2013.

- (a) Projects or activities not falling within Schedule VII of Companies Act, 2016;
- (b) Activities undertaken in pursuance of normal course of business;
- (c) Projects or programs or activities that benefit only the employees of TSCL and their families;
- (d) Direct or indirect contribution to any political party.

- (e) Any CSR project/ activities undertaken outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level.
- (f) Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services.
- (g) Activities carried out for fulfilment of any other statutory obligations under any law in force in India

14. CSR REPORTING

The Board in its Annual Report shall include a section on, CSR spending in the relevant financial year and other information as required under the prevailing law.

15. REVIEW AND AUDIT

The CSR Committee shall be apprised on the implementation of the CSR activities.

TSCL shall through its internal controls, monitor the implementation of its CSR activities / projects.

Records relating to the CSR activities and the CSR Expenditure shall be maintained.

16. AMENDMENTS

The Policy may be reviewed and amended from time to time with the approval of the Board on the recommendation of the CSR Committee.

Appendix -1
Schedule VII of Companies Act, 2013
(See Section 135 of Companies Act, 2013)

ACTIVITIES WHICH MAY BE INCLUDED BY COMPANIES IN THEIR CORPORATE SOCIAL RESPONSIBILITY.

- (1) 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.
- (2) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.
- (3) 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.
- (4) 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.
- (5) 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;
- (6) 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;
- (7) Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports
- (8) 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;
- (9) (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).

(10) Rural development projects

(11) 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.]

(12) Disaster management, including relief, rehabilitation and reconstruction activities.

Note: The above list will be subject to any amendment made to Schedule VII of Companies Act 2013.