

## CORPORATE SOCIAL RESPONSIBILITY POLICY

For us in the Cosco (India) Limited reaching out to underserved communities is part of our Company Objectives. We believe in the trusteeship concept. This entails transcending business interests and grappling with the "quality of life" challenges that underserved communities face, and working towards making a meaningful difference to them.

**Our vision** is – "to actively contribute to the social and economic development of the communities in which we operate. In so doing build a better, sustainable way of life for the weaker sections of society and raise the country's human development index".

### CSR Committee

CSR Committee of the Board of Directors ("Board") would consist of 3 or more directors, out of which at least 1 director shall be an Independent Director. Cosco (India) Limited at its meeting held on May 30, 2017 approved the constitution of a Four member Corporate Social Responsibility (CSR) Committee of the Board, comprising of Independent Director Chairman, Managing Director & CEO and Whole Time Directors.

The Committee, as mandated under Section 135 (3) of the Companies Act, 2013, shall (a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Cosco (India) Limited as specified in Schedule VII; (b) recommend the amount of expenditure to be incurred on the activities referred to in Section (a); and (c) monitor the Corporate Social Responsibility Policy of the Company from time to time. (d) Annually report to the Board, the status of the CSR activities and contributions made by Cosco (India) Limited (e) Any other requirements mandated under the Act or Rules issued thereunder.

### CSR Activities

- 1) Cosco (India) Limited CSR activities would be in the form of well-defined projects or programmes, the outcomes of which could be measured objectively.
- 2) Schedule VII lists out which may be included by companies in their corporate social responsibility activities. The said activities include the following:
  - i) Eradicating hunger, poverty and malnutrition, promoting preventive— health care and sanitation including contribution to the Swach 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/— hostels for women & orphans; setting up old age homes, day care centres & such other facilities for senior citizens and measures for reducing inequalities faced by socially & economically backward groups;

- iv) Ensuring environmental sustainability, ecological balance, protection of— flora and fauna, animal welfare, agro forestry, 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 arts 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 any other— fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- ix) Contributions or funds provided to technology incubators located within— academic institutions which are approved by the Central Government;
- x) Rural development projects.— Such other activities as may be prescribed from time to time.
- xi) Slum area development.

### **Restricted Activities**

- 1) The Company shall endeavor not to include any of the business activities undertaken in the normal course of business of the Company within the ambit of CSR activities.
- 2) Contribution of any amount directly or indirectly to any political party under Section 182 of the Act, shall not be considered as CSR activity.
- 3) CSR Projects or activities that benefit only the employees of the Company and their families shall not be considered CSR activities.
- 4) No contribution to be made for any activities undertaken outside India. The surplus, if any arising out of the CSR projects or programmes or activities shall not form part of the business profit of the Company.
- 5) Expenditure not in line with the CSR Activities shall not be included.
- 6) One off events such as Marathons/awards/charitable contributions/advertisement/sponsorships of TV programmes etc would not be qualified as CSR expenditure
- 7) Expenses incurred by companies for fulfillment of any Act/Statute of regulations would not count as CSR Expenditure under the Companies Act.

## **CSR Expenditure**

From the Financial Year 2017-18 every year, Cosco (India) Limited, to whom the CSR provisions CSR Expenditure are applicable) would spent at least 2% of its average net profits (calculated under Section 198 of the Act) during the three immediately preceding financial years on such schedule and to finance such CSR Activities as may be mutually agreed.

Cosco (India) Limited shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities. CSR Projects or Programs or activities undertaken in India only shall amount to CSR Expenditure. If for some reason the funds allotted as Corporate Social Responsibility are not utilized within the fiscal year, such unutilized funds would be automatically carried forward for utilization in the succeeding year(s) for CSR activities.

**The Company may undertake the CSR activities either on its own or Collaboration through a Trust/ Society/ Not for Profit Company.**

## **Accounts and Audit**

Cosco (India) Limited shall maintain separate accounting for CSR related. In case specified projects or programs are to be undertaken through third party agencies the Company would need to specify the manner of accounting and tracking the expenditure incurred through third party agencies. The Company may conduct audit for CSR related expense at such intervals as may be recommended by CSR Committee and approved by the Board.

## **Monitoring/ Evaluation Mechanism and assessment**

The Board shall ensure activities as are included in CSR Policy of the company are undertaken by the company. The CSR Committee shall monitor CSR policy of the Company from time to time. The CSR Committee shall institute a monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the company which shall include the following :

i) release of funds for CSR Project/Programme: The amounts sanctioned for a CSR project or programme, will be released as may be determined by the CSR Committee. CSR committee may design the procedure/guidelines applicable from time to time and release of funds to any project in a year shall be as per the guidelines finalized by the CSR Committee.

(ii) Review by Board/CSR Committee: On a quarterly basis, the Board of Directors and CSR Committee will review the implementation of CSR.

(iii) Utilisation Certificate: Funds released to the implementing agency would be based on satisfactory utilization certificate duly certified by an authorised officer/ CEO of the done entity and satisfactory performance report submitted by the said person, as may be decided by the CSR Committee.

(iv) Audit: the amount spent on CSR by the Company will be subject to audit.

## **Dissemination of Information**

The CSR Policy of the company shall be placed on the website of the Company [www.cosco.in](http://www.cosco.in) A detailed status report on the CSR activities carried out by the Company shall be disclosed every year as a part of the Board Report in the Annual Report. The CSR committee will also make a Responsibility Statement stating that the CSR Policy implementation and monitoring thereof is in letter and spirit, in compliance with the CSR objectives.

## **Approved by**

Cosco (India) Limited Board after recommendation by CSR Committee.

## **Amendment**

This Policy may be amended from time to time by the Board on the recommendation of the CSR Committee.

## **Review History**

Approved on 30<sup>th</sup> May, 2017 Policy to be reviewed annually.