

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. OBJECTIVE

CSR initiatives of the company intends to create social, environment and economic value thereby making positive changes to the society. The company commits towards improving the quality of lives of people and believes in integrating with local community by promoting growth. The policy aims to contribute towards sustainable development of the society and environment to make planet a better place for future generations.

The objective of this policy is to set the direction for the CSR activities of the Company and defines the governance and monitoring framework for ensuring the effectiveness of the policy.

2. REGULATORY FRAMEWORK

The Companies Act, 2013 together with the rules notified thereunder ('the Act') and Schedule VII to the Act provides a framework for companies to define the focus areas in the CSR space. The law also guides companies to apply the scope as defined under Schedule VII liberally. Further, the Act also provides instructions on agencies eligible for implementation through which the Companies may spend its CSR expenditure. Company's CSR Policy, focus areas and the implementing agencies shall therefore remain within the boundary set by the law.

3. DEFINITIONS

- i. "Act" means the Companies Act, 2013.
- ii. "Board of Directors" or "Board" means the collective body of the directors of the company.
- iii. "Company" means "Merchant Shipping Services Private Limited".
- iv. "CSR Committee" means Corporate Social Responsibility Committee constituted by the Board of Directors of the company.
- v. "CSR Policy" means CSR Policy of Merchant Shipping Services Private Limited.
- vi. "CSR Rules" means the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.
- vii. "Implementing Agency" means any entity registered with Ministry of 108 Guidance Note on Corporate Social Responsibility Corporate Affairs for undertaking CSR projects, which is engaged by the company to implement various projects in pursuance of CSR Policy.
- viii. Any term used in this policy but not defined herein shall have the same meaning assigned to them under the Act and CSR Rules as applicable to the company.

As per section 135(2) of the Companies Act 2013, where the amount to be spent by the Company does not exceed Rs. 50 Lakh rupees, the requirement of constitution of committee is not mandatory and the functions of CSR committee in such cases, shall be discharged by the Board of Directors of the Company.

4. CSR ACTIVITIES

Company shall undertake CSR activities from time to time in accordance with the approval of the Board for development of the society and the environment. The CSR activities are carried out by the company either individually or in association with eligible implementing agencies registered with the Ministry of Corporate Affairs.

The company shall undertake any of the activities which are broadly related to any of the following:

- i. Eradicating hunger, poverty and malnutrition, promoting health care including 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 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, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;
- vii. 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).
- viii. Rural development projects
- ix. Development of area declared as “slum area” by the Government or Competent Authority.
- x. Disaster management, including relief, rehabilitation and reconstruction activities.
- xi. 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 Government for Socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women.
- xii. 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.

5. ANNUAL ACTION PLAN

All the guiding principles as required to be followed for implementing and monitoring the CSR Activities shall be followed while formulating the Annual Action Plan. The Annual Action plan shall be action oriented, measurable, relevant and time bound. The Board of Directors are empowered to alter the annual action plan during the financial year based on the reasonable justification for such change.

6. SELECTION

The CSR activities can be undertaken either directly or through an implementing agency. The Implementing Agency should meet the statutory eligibility criteria laid down under the Companies Act, 2013. Additionally, the Company shall conduct appropriate due diligence of the implementation agency before associating the agency. Such due diligence shall inter alia cover aspects of financial position of the agency, credibility, history and experience in the relevant area, any potential conflict of interest and existing and past litigations.

7. CSR SPENDING

The company shall endeavor to achieve the objectives of CSR Policy and allocate every year:

- a) Minimum 2% of its average net profits made during the three immediately preceding financial years
- b) Any income or surplus arising out of the CSR activities, projects or programs shall not form part of the business profit of the company and the same shall be ploughed back for use in CSR activities.
- c) Any excess amount spent towards CSR beyond the statutory obligation shall be available for set off against the requirement to spend up to immediately next three financial years.
- d) Unspent CSR amount, if any, shall be transferred to separate account in accordance with the applicable CSR Rules from time to time.

8. CAPITAL ASSETS

Capital asset acquired or created by 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. The company should take appropriate measure to ensure that such assets are utilized for the purpose it was meant for and should not be transferred or disposed off without prior permission of the company.

9. INFORMATION DISSEMINATION

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

10. REVIEW

The Board shall be responsible for the monitoring and review of the implementation of this policy in accordance with applicable laws from time to time.