



Lancer Container Lines Ltd.

POLICY ON CORPORATE SOCIAL RESPONSIBILITY

I. The Objectives of the Policy

This Policy shall be read in line with Section 135 of the Companies Act 2013, Companies (Corporate Social Responsibility Policy) Rules, 2014 and such other rules, regulations, circulars, and notifications (collectively referred hereinafter as Regulations) as may be applicable and as amended from time to time. The Company has made this policy which encompasses the Company's philosophy for delineating its responsibility as a Corporate Citizen and lays down the guidelines and mechanism for undertaking socially useful programs for welfare & sustainable development of the community at large and titled as the "Corporate Social Responsibility (CSR) Policy.

This policy has been formulated and recommended by the CSR Committee and adopted by the Board of Directors at its meeting held 4th July, 2018. The Board may, upon recommendation of the CSR Committee, amend or modify this CSR Policy as and when necessary.

Further the board has reviewed the same on 20th May, 2019 in meeting of Board of Directors.

II. Definitions

- (a) "Act" means the Companies Act, 2013;
- (b) "Corporate Social Responsibility (CSR)" means and includes but is not limited to (i) Projects or programs relating to activities specified in Schedule VII to the Act or (ii) Projects or programs relating to activities undertaken by the board of directors of a company (Board) in pursuance of recommendations of the CSR Committee of the Board as per declared CSR Policy of the company subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act.
- (c) "CSR Committee" means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.
- (d) "CSR Policy" means CSR Policy of the Company (Lancer Container Lines Limited) relates to the activities to be undertaken by the company as specified in Schedule VII to the Act and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of a company.
- (e) "Net profit" means the net profit of a company as per section 198 of the Companies Act, 2013 and rules and regulations made thereunder, as amended from time to time;
- (f) CSR Rules means the Companies (Corporate Social Responsibility) Rules, 2014, as amended and modified from time to time;
- (g) Funding shall mean the disbursements that are to be made to an Organization pursuant to this CSR Policy, with the prior approval of the CSR Committee and the Board in accordance with the Act and Rules;
- (h) Organizations means such organizations including NGOs as are permitted to receive Funding in accordance with the Act and CSR Rules.



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III. Purpose

This CSR Policy establishes the scope, CSR goals of the Company and Funding approval process. This CSR Policy shall operate as the corporate responsibility policy of the Company for the purposes of Section 135 of the Act and CSR Rules.

IV. Constitution, Composition and Scope of Corporate Social Responsibility Committee (CSR Committee)

The CSR initiatives/activities of the Company will be identified and initiated by the CSR Committee comprising 4 (Four) Members of the Board. Subject to the requirements of the Act, the Board may increase or decrease the size of the CSR Committee by passing a resolution. The members of the CSR Committee shall elect one of them as the Chairman of the Committee. The CSR Committee shall recommend to the Board the amount of expenditure to be incurred by the Company on CSR activities and the Board will ensure that the activities as are included in the CSR Policy are undertaken by the Company subject to and in accordance with the provisions of section 135 of the Companies Act, 2013.

V. Scope of the CSR Committee:

The CSR Committee has been set up to: -

- Formulate and recommend to the Board CSR Policy which shall indicate the activities to be undertaken by the Company in areas or subject, specified in the Schedule VII to the Act
- Recommend the amount of expenditure to be incurred on the activities referred to in the CSR Policy
- Monitor the CSR Policy from time to time.

VI. Decisions by the CSR Committee:

- The CSR Committee shall at all the time act in a manner that is consistent with the provisions contained in this CSR Policy, the Act and CSR Rules.
- The CSR Committee shall endeavour to arrive at all decisions by a consensus of all Members. However, in the event the CSR Committee is unable to arrive at such a consensus, the Chairman of the Committee may make the final decision.
- All decisions of the Committee shall be ratified by the Board.

VII. Meeting and compliances

- The CSR Committee shall meet as frequently as it determines necessary but at least once annually.
- The CSR Committee shall maintain minutes of each of its meetings.
- The CSR Committee shall review proposed projects and make recommendations to the Board for approval of such projects and allocation of Funding in accordance with the CSR Committee charter.
- The final decision with regards to the acceptance or rejection of a CSR proposal shall be with the Board.

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VIII. CSR Activities areas of interest

The Company shall upon the recommendation of its CSR Committee and with necessary approval of the Board, can undertake any of the following activities, as part of its corporate social responsibility initiatives, in areas and subject specified in Schedule VII of the Companies Act 2013;

1. Eradicating hunger, poverty & malnutrition, promoting preventive health care & sanitation & making available safe drinking water;
2. Promoting education, including special education & employment enhancing vocation skills especially among children, women, elderly & the differently unable & livelihood enhancement projects;
3. Promoting gender equality, empowering women, setting up homes & hostels for women & orphans, setting up old age homes, day care centers & such other facilities for senior citizens & measures for reducing inequalities faced by socially & economically backward groups;
4. Reducing child mortality and improving maternal health by providing good hospital facilities and low cost medicines;
5. Providing with hospital and dispensary facilities with more focus on clean and good sanitation so as to combat human immunodeficiency virus, acquired immune deficiency syndrome, malaria and other diseases;
6. Ensuring environmental sustainability, ecological balance, protection of flora & fauna, animal welfare, agro forestry, conservation of natural resources & maintaining quality of soil, air & water;
7. Employment enhancing vocational skills;
8. Protection of national heritage, art & culture including restoration of buildings & sites of historical importance & works of art; setting up public libraries; promotion & development of traditional arts & handicrafts;
9. Measures for the benefit of armed forces veterans, war widows & their dependents;
10. Training to promote rural sports, nationally recognized sports, sports & Olympic sports;
11. Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development & relief & welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities & women;
12. Contributions or funds provided to technology incubators located within academic institutions, which are approved by the Central Government;
13. Rural development projects, etc xiv. Slum area development.

Provided that, the CSR projects and programs or activities that benefit only the employees of the Company and their relatives shall not be considered as CSR activities. Also, the CSR activities undertaken in India only will be taken into consideration, in order to satisfy the requirement of section 135 of the Companies Act 2013. (b) The Company may update the above list as per Section 135 and Schedule VII of the Act as amended from time to time. (c) the Company shall give preference to the local area and areas around it where it operates.



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IX. IMPLEMENTATION AND RESOURCES FOR THE CSR ACTIVITIES

- For achieving its CSR Initiatives and Activities through implementation of meaningful & sustainable CSR programs, the Company needs to allocate, in every financial year, at least 2% (two per cent) of the average net profit made by the Company during the three immediately preceding financial years. "Net Profit" shall not include such sums as may be prescribed, and shall be calculated in accordance with the provisions of section 198. The CSR Commitment shall comprise of the following:

2% (two percent) of the average Net Profits of the Company for the last 3 (three) financial years.

- If in case the Company fails to spend such amount, the Board shall, in its report made under of sub-section (3) of section 134, specify the reasons for not spending the prescribed amount.
- The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.
- CSR expenditure shall include all expenses including contribution to corpus for projects or programs relating to CSR activities approved by the Board on the recommendation of CSR Committee, but should not include any expenditure on an item not in conformity or not in line with the activities which fall within the purview of Schedule VII of the Act.

The CSR Committee shall institute a transparent monitoring mechanism for implementation of the CSR activities or programs undertaken by the Company.

Manner of Spending of CSR Fund should be as follows: -

Option A: -

- A. Upon receipt of the CSR proposal, the CSR Committee shall evaluate the same in accordance with this policy.
- B. The CSR Committee may take such time as it deems necessary to deliberate and come to a conclusion regarding a CSR Proposal. The CSR Committee may, approve or decline a CSR Proposal.
- C. All Funding to Organizations must be approved in advance by the CSR Committee and the Board and such approval shall be obtained prior to making any commitment to the Organization in this regard.
- D. Subsequent to the approval of the CSR Proposal by the CSR Committee, the CSR Proposal shall be placed before the Board together with the recommendations of the CSR Committee for its consideration and approval. The Company will provide Funding only to such projects as may be approved by the Board.

Post Approval Process

- a) Subsequent to the approval of the CSR Proposal by the Board, The Company and the Organization shall enter into appropriate documentation regarding the terms of the Funding and the manner in which such Funding shall be disbursed by the Company.

Such documentation shall be in a form and substance that is acceptable to the CSR Committee and the Board.

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Option B: -

Board has conferred the power to Chairman of the CSR Committee to spend CSR money to areas specified in Schedule VII of the Companies Act, 2013 along with Rules and Regulations made thereunder and amended from time to time.

X. MONITORING MECHANISM

Chairman of the CSR Committee is authorized by the board to monitor the expenses and money towards CSR Activity.

- (1) Organizations receiving Funding will be required to provide evaluation information on a periodic basis with details on the status of the CSR Activities, including details concerning the project deliveries, costs incurred, and in a manner prescribed by the Company.
- (2) A summary of these reports shall be tabled before the meetings of the CSR Committee.
- (3) Detailed reports will be available for further perusal of the members of the CSR Committee as required.
- (4) The Company reserves the right to suspend payments to an Organization that delays and or fails to provide, to the Company's satisfaction, details concerning the use of the Funding.

XI. REPORTING MECHANISM

The Company shall publish its annual report on CSR Activities in its Directors Report in the manner prescribed under the Companies Act, 2013 and the CSR Rules. This policy will also be available on the Company's website.