



Hazira Port Private Ltd.

Policy

Corporate Social Responsibility Policy

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1. INTRODUCTION

1.1 Purpose

The Corporate Social Responsibility (CSR) policy is intended for providing a framework within which Hazira Port Private Limited (HPPL or the Company) follows its commitment to CSR as enshrined in its business principles and the Vision and the Mission Statement of the Company. This framework also abides with the relevant provisions of Companies Act 2013 (CA 13) and the Rules framed in this regard.

1.2 Intended audience

This policy is intended for the internal and the external stakeholders of HPPL. It will also be placed in the Website of the Company.

1.3 Related documents:

The documents related to this policy are the following:

- Hazira General Business Principles,
- The Vision and the Mission Statement of Hazira
- The relevant provisions (section 135 and section 198) of the CA 13 and the Rules framed [Companies (CSR Policy) Rules 2014] in this regard.

1.4 Change control

Appropriate version control will be maintained for the changes made to the CSR Policy.

2. CORPORATE SOCIAL RESPONSIBILITY POLICY:

2.1 BACKGROUND:

Hazira Port Private Limited (“the Company or HPPL”) has over the years pursued goals in the field of Corporate Social Responsibility (CSR) as a part of its belief that Companies must engage and contribute to the community and environment.

The commitment to CSR for the Company is enshrined in its business principles and the Vision and the Mission Statement of the Company.

The Company is currently running key CSR Projects and Programs (“CSR Projects”) on Ecological balance & Environmental sustainability, promoting education including employment enhancing vocational skills, promoting preventive health care and sanitation, rural development in and around Hazira. The various activities under the CSR Projects is implemented in partnership with village institutions (Gram Panchayats and various village committees), NGOs and Government Departments.

In lines with the above said framework, the Company has formed this CSR policy is also placed in the Corporate website of the Company at <http://www.haziralngandport.com/>

2.2 OBJECTIVE:

The overall objective of CSR policy in the Company is to create a positive presence and legacy in the communities and societies where we operate, and so gain community acceptance for our business objectives.

Hence it will be the endeavor of the Company to ensure that:

- a) The Impact of the Company’s operations on communities and other Stakeholders are assessed and considered in Business decisions.
- b) Respectful engagement with Stakeholders is maintained throughout the Business lifecycle.
- c) Negative Impacts of Business activities are minimised and positive impacts maximised in a sustainable manner.

2.3 DETAILS OF THE CSR PROJECTS OR PROGRAMS:

In lines with the requirements of the Companies (Corporate Social Responsibility Policy) Rules 2014 (“CSR Rules”), a list of CSR Projects to be undertaken during the year will be developed and shall be placed before the Board of Directors of the Company by the CSR Committee for approval.

Subsequently, the approved list of CSR Projects shall be appended as annexure (Annexure A) to this policy every year.

Some of the thrust areas, inter-alia, which the Company wishes to undertake under the CSR Projects are as follows:

- Environmental Sustainability.
- Gender equality & Women Development
- Health care
- Rural Development -Livelihood enhancement

In case the Company does not have any profits, if the average of the bottom-line for the preceding three years is taken in lines with the requirements of the CA13, the Company is not required to spend in the CSR projects.

2.4 GOVERNANCE STRUCTURE FOR MANAGING THE CSR PROJECTS:

A CSR Committee of the Board consisting of three Directors will monitor the CSR projects and will meet at quarterly frequency or at a suitable periodicity as may be decided by the Committee. The quorum for forming a valid meeting of the CSR Committee will be two, out of which one Director should be a nominee from the Total Group. The CSR Committee shall monitor the CSR projects and provide suitable recommendations and report to the Board. The Board's report of the Company shall include an Annual Report on CSR containing particulars as specified in the Annexure of the CSR Rules.

The Head-HSE & SD shall act as the Secretary to the Committee.

The Board shall nominate the constitution of the CSR Committee at the start of each financial year.

The function of the CSR Committee shall interalia, include the following:

- (a) formulate and recommend to the Board, the updated CSR policy from time to time which will indicate the activities to be undertaken by the Company as specified in Schedule VII;
- (b) recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- (c) monitor the CSR projects.

The Board of the Company shall,—

- a) after taking into account the recommendations made by the CSR Committee, approve the CSR Policy for the company and disclose contents of such Policy in its report and also place it on the Company's website ; and
- b) ensure that the activities as are included in CSR Policy of the Company are undertaken by the Company.

The Board of the Company shall ensure that the Company spends, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years. The average profits shall be calculated as per the relevant provisions of the Companies Act 2013 ("CA 13").

The Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities.

If the Company fails to spend such amount, the Board shall in its report specify the reasons for not spending the amount.

2.5 IMPLEMENTATION & MONITORING:

2.5.1 Implementation:

- i. The projects identified and approved for implementation by the CSR committee shall be based on alignment with the list of activities in schedule VII of the CA13, national priorities and CSR objectives of the Company. The CSR projects will not include activities undertaken in pursuance of normal course of business of the Company.
- ii. We shall undertake execution of the selected projects either directly or in collaboration with partners like Government/ NGOs as approved by the CSR committee.
- iii. In case of implementation of CSR projects in partnership with NGOs, we shall ensure NGOs' established three year track record in undertaking similar CSR Projects. We shall conduct due diligence on the NGO's and thereafter make appropriate recommendations to the Committee and the Board for consideration of the concerned NGO's for undertaking CSR Projects.
- iv. The Company shall enter into an MoU with the identified NGO partner(s) 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.
- v. The Company may also collaborate with other companies for undertaking CSR Projects in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs in accordance with the CSR Rules 2014.

2.5.2 Monitoring:

The CSR Committee shall institute and follow a transparent monitoring mechanism for implementation of CSR programs/projects. A three-tier monitoring shall be established:

The first tier monitoring shall be driven by the local CSR team. The team will function in close co-ordination with the implementing partner. The CSR team shall conduct an internal quarterly review meeting with implementation agency on pre agreed KPIs for qualitative and quantitative outputs/outcomes of the CSR programs. The monitoring plan will broadly cover the following aspects:

- a. Achievements as per project based milestones
- b. Actual spend vs budgeted amount
- c. Beneficiaries covered under each program
- d. Review of external partners
- e. Implementation challenges (if any)

The CSR committee at the second level will review the progress with regard to implementation and results of CSR initiatives. The Board of Directors will take a final review and accordingly pass advisory at the third level.

2.6 SURPLUS ARISING OUT OF THE CSR POLICY:

The Surplus arising out of the CSR projects shall not form part of the business profit of the Company.

2.7 AUTHORITY FOR APPROVAL:

The version 1.0 of this policy had been approved by the Board of Directors on 10th December 2014. The next version 1.1 had been approved by the Board of Directors on 30th March 2015.

Any amendments made to this policy from time to time will also be approved by the Board.