

Corporate Social Responsibility Policy

Transport Corporation of India Limited (TCI) management believes that corporations are socio-economic citizens and that their objectives have to be congruent with society's goals. Therefore, it is the core corporate responsibility of TCI to practice its communal values through its commitment to grow in a socially and environmentally conscientious way, while protecting interests of its stakeholders.

TCI also understands that its business activities have extensive impact on the society in which it operates, and therefore an effectual practice is required giving due consideration to the welfare of its stakeholders. Therefore, it is committed to its stakeholders to conduct its business in a conscientious manner that builds a sustained optimistic impact on society. Our company is committed towards aligning with environment and has adopted green practices.

As a corporate entity, the company is committed towards sustainability and to move ahead in this direction in an organized manner, the Company hereby forms its **Corporate Social Responsibility Policy (Hereinafter referred to as the 'CSR Policy')** the contents of which are described in this document.

Policy Avowal

"We strive to be an admired and trusted corporation by carrying out our business ethically in a socially and environmentally responsible way."

Vision & Mission

TCI believes that the proper assessment of development, accomplishment and evolution goes beyond balance sheets or conservative fiscal indices. The Company firmly believes that in order to ensure long term sustainability, emphasis needs to be given on Triple Bottom Line (TBL) i.e. adherence to people, planet & profit. TBL is an accounting framework that incorporates three dimensions of performance: social, environmental and financial. It is best mirrored in the difference that business and industry make to the lives of public at large. Through its societal investments, TCI concentrates on the needs of communities residing in the areas from where it operates, taking sustainable initiatives in the areas of health, education, green preservation and community development.

- Integration of social, environmental and ethical responsibilities for long term success and sustainability;
- Economic and social development of communities ;
- Expand the knowledge horizons to channelize the skilled youth power in the development of the nation. In a developing economy like India, youth power can be utilized in nation building by creating more job opportunities by using vast national resources
- Ensure green sustainability by implementing finest conservation practices and encouraging protection/thoughtful use of natural resources.
- Leave positive mark within the society by creating comprehensive and enabling atmosphere for inhabitable communities.

- Toil in the direction of mainstreaming the ignored segments of the society by working towards providing equal opportunities and making significant difference in their existence.
- Support in skill improvement by providing path and technological expertise to the vulnerable thereby powering them towards a dignified living.
- At times of national crisis, react to disasters & adversities by providing opportune aid to affected sufferers.

1. Definitions: In this Policy, unless the context otherwise requires:-

- I. “Act” means the Companies Act, 2013 including any statutory modification or amendment thereto as may be notified by the Ministry of Corporate Affairs from time to time.
- II. “Annexure” means the Annexure appended to the Rules.
- III. “Board” means the Board of Directors of the Company.
- IV. “Company” means Transport Corporation of India Limited.
- V. “Corporate Social Responsibility (CSR) means and includes but is not limited to:
 - a. Projects or programs relating to activities specified in Schedule VII to the Act including any statutory modification or amendment thereto; or
 - b. Projects or programs relating to activities taken by the Board of the Company in pursuance of the recommendations of the CSR Committee as per this Policy.
- VI. “Corporate Social Responsibility Committee (CSR Committee)” means the Committee responsible for monitoring the CSR activities of the Company including its subsidiaries and associates as per the Policy comprising of the following:

Name of the Director	Designation	Member/Chairman
Mr. Ashish Bharat Ram	Independent Director	Chairman
Mr. D.P. Agarwal	Vice Chairman & Managing Director	Member
Mrs. Urmila Agarwal	Non-Executive Director	Member
Mr. M P Sarawagi	Non-Executive Director	Member

- VII. “Policy” means the Corporate Social Responsibility (CSR) Policy of the Company.
- VIII. “Net Profit” means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act and rules made there under but shall not include the following , namely:
 - a. Any profit arising from any overseas subsidiary(ies)/branch(es) of the Company; and
 - b. Any dividend received from other companies in India, covered under section 135 of the Act and Rules.

However, net profit in respect of a financial year for which the relevant financial statements were prepared in accordance with the provisions of the Companies Act, 1956, shall not be required to be re-calculated in accordance with the provisions of the Act.

- IX. “Rules” means Companies (Corporate Social Responsibility) Rules, 2014 including any statutory amendment or modification thereto as may be notified by the Ministry of Corporate Affairs from time to time.

2. Applicability

This CSR Policy will be applicable to Transport Corporation of India Limited (hereinafter referred to as ‘the Company’) including its subsidiaries and associates. The policy shall come into force on the 01 April, 2014.

3. Operational Organization

TCI will undertake its CSR initiatives, which shall include the matters as specified under Clause 8, and implementation shall be either through:

- A. Group arm TCI Foundation - a Trust duly registered since 25th September, 1995;
- B. TCI Institute of Logistics – a group Company registered under Section 8 of the Companies Act, 2013 incorporated on 12th March, 2014;
- C. TCI Charities- a group Trust duly registered since 4th June, 2008;
- D. Any other Registered Trust/Society or Company registered under Section 8 of the Companies Act, 2013 established by the Company or its subsidiary or associate company; and/or,
- E. Any Registered Trust/Society or Company registered under Section 8 of the Companies Act, 2013 established by any other Company or its subsidiary or associate company having an established track record of 3 years in undertaking similar projects or programs

4. Alliance

TCI may collaborate or pool resources with other companies for undertaking CSR projects or programmes or activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programmes or activities in accordance with the Rules.

5. CSR Capacity Building

TCI may build CSR capacities of own personnel as well as of its alliances if any, as mentioned under Clause 3 but such expenditure shall not exceed five percent of total CSR expenditure of TCI in one financial year.

6. Scope of CSR Committee

Overall governance of CSR and approving of the CSR Policy will be the responsibility of the CSR Committee and the Board. The CSR Department of the Company will be responsible for administering and executing the approved policy.

The CSR Committee shall:

- a) Monitor the Policy, as described under Clause 11, from time to time
- b) Recommend to the Board, changes in the Policy, as may be required to give effect to any applicable laws, rules or regulations or to implement or carry out CSR activities in a more efficient manner;
- c) Submit a detailed Report to the Board regarding the projects/programs undertaken under this Policy and implementation thereof within one month from the end of each financial year.

7. CSR Expenditure

For achieving the CSR objectives as defined under this Policy, the CSR Committee will recommend to the Board an Annual CSR Budget at the start of each financial year, amounting to 2% or more of the average net profits of TCI made during the three immediately preceding financial years, calculated in accordance with Section 198 of the Companies Act, 2013. On receiving such recommendation from the CSR Committee, the Board shall consider and finalised the same.

Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.

8. What shall constitute CSR

In compliance with Schedule VII of the Act including any statutory modification or amendment thereto Read along with Rules, below mentioned activities shall constitute CSR. The definite distribution of expenditure, modalities of execution and implementation schedule among these areas will depend upon the local requirements as may be determined by the need identification studies or discussions with relevant organizations or agencies or government prior to the approval of CSR projects or programmes and activities.

Healthcare Development

- (i) Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.

Education Development

- (ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.

Equality

- (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.

Environment Sustainability

- (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.

Protection & Promotion of National Art & Heritage

- (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.

Acknowledgment of services of the Armed Forces

- (vi) Measures for the benefit of armed forces veterans, war widows and their dependents.

Sports Development

- (vii) Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports.

Socio-Economic Development

- (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.

Research & Technology Development

- (ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.

Rural Development

- (x) Rural development projects.

9. What shall not constitute CSR

- (i) Any activity/project/program not covered under Clause 8.
- (ii) Any activity/project/program in pursuance of its normal course of business.
- (iii) Any activity/project /program undertaken through any Registered Trust/Society or Company registered under Section 8 of the Companies Act, 2013 established by any other Company or its subsidiary or associate company NOT having an established track record of 3 years in undertaking similar projects or programs.
- (iv) Any activity/project/program undertaken outside India.
- (v) Any activity/project/program undertaken solely for the benefit of employees of the Company, its subsidiaries and associates and their families.
- (vi) Contribution of any amount directly or indirectly to any political party under Section 182 of the Act.

10. Implementation Process

- A. All Project Incharge shall submit annual plan (new and/or ongoing) of projects or programmes or activities from the areas specified in Clause 8 to the CEO/Head CSR.
- B. All new and/or ongoing projects or programmes or activities annual plans submitted will be reviewed, evaluated by the CSR Committee in consultation with the CEO/Head CSR.
- C. The CSR Committee shall provide directions on the allocation of budget for approved CSR projects or programmes or activities.
- D. On the recommendation of the CSR Committee and approval by the Board, the CSR projects or programmes or activities will be undertaken by the Company through one or more entities as mentioned under Clause 3.
- E. Any other donations or charities will be approved by the Vice Chairman Managing Director/ Managing Director/ Joint Managing Director, provided they are solely for the purposes covered under Clause 8.
- F. For spending the amount earmarked under Clause 7, preference shall be given to the local areas around which the Company operates provided they are well within the territory of India.

11. Monitoring process

- A. The Company's CSR activities will be driven by CSR Department under the guidance and support of the Committee.
- B. To ensure effective implementation of CSR projects or programmes or activities, a monitoring mechanism will be in place. Monitoring mechanisms will include visits, meetings and progress/status reporting by the project teams and internal audit.
- C. The CSR Committee will monitor and review the progress of CSR activities undertaken/completed on quarterly basis.

12. Reporting & Disclosures

- A. All CSR initiatives as may be undertaken by the Company from time to time, shall form part of the Directors' Report and also be reported in the Sustainability Report containing the particulars as specified in the Annexure.
- B. If the Company fails to spend the amount earmarked under Clause 7 towards CSR initiatives, the Board, in its Report, shall specify the reason for not spending the amount.
- C. The contents of this Policy shall be displayed on the Company's website www.tcil.com as per the particulars specified in the Annexure.

13. Transparency Process

In order to ensure transparency and communication with all stakeholders, the Company will document the details of the CSR projects or programmes or activities, as undertaken in due compliance with the Policy and expenditure thereon and ensure that the same are available in the public domain in the manner as specified in Clause 12.

14. Amendment

The Company reserves the right to amend or modify this Policy in whole or in part, at any point of time. Any amendment to the Policy shall take effect from the date when it is

approved by the Board, based on the recommendation of the CSR Committee and hosted on the Company's website.
