

DALMIA BHARAT LIMITED

Corporate Social Responsibility Policy

(Pursuant to Section 135 of the Companies Act 2013)

I. PREAMBLE:

Our Company's vision is to unleash the potential of everyone we touch. As we seek to do that, we aim at sustainable and inclusive growth, which demands us to make definitive triple bottom-line (social, economic and environmental) impact. While we have always had a strong commitment to comply the law, we seldom hesitate to go beyond the limits laid under law and put in an extra effort to achieve the status of a responsible corporate citizen in tune with our Group's values. Aiming at creating shared values for all stakeholders, the need is to integrate CSR into our businesses processes.

This document, for that matter, spells out Company's Corporate Social Responsibility's policy, strategy, for effective planning, implementation and monitoring.

II. VISION:

To unleash the potential of everyone we touch.

III. MISSION:

To facilitate the stakeholders hasten their social, economic and environmental progress through effective management of human and natural capital.

IV. OBJECTIVES:

Our approach to Corporate Social Responsibility stands on our Company's core values, which make us believe in inclusive growth and encourage us to create shared values for all stakeholders, including the communities around us. CSR has always been and shall always be an integral and strategic part of our business process. It is a vital constituent of our company's commitment to sustainability. True to the spirit of our vision, we strive to unleash the potential of human and natural capital around us in a manner that it hastens social, economic and environmental progress. The main objective of CSR policy is to lay down guidelines for DBL to make CSR a key business process for sustainable development for the Society. It aims at supplementing the role of the Government in enhancing welfare measures of the society based on the immediate and long term social and environmental consequences of their activities. DBL will act as a good Corporate Citizen, subscribing to the principles of integrating economic, environmental and social objectives with the company's operations and growth.

V. THE SCHEME:

The units of DBL and its subsidiaries are located in the States of Haryana, Tamil Nadu, Andhra Pradesh and Karnataka. The CSR activity impacts of the introduction of any production activity in such areas change the indigenous communities and also change the socio-economic profile of the Area. Efforts would be made to focus on activities in areas around the units of the Company and its subsidiaries and activities beyond can also be considered on merits. In the aforesaid backdrop, policy on Corporate Social Responsibility of DBL is broadly framed taking into account the following measures: -

- a) Welfare measures for the community at large so as to ensure the poorer section of the Society derived the maximum benefits.
- b) Contribution to the society at large by way of social and cultural development, imparting education, training and social awareness specially with regard to the economically backward class for their development and generation of income.
- c) Protection and safeguard of environment and maintaining ecological balance.

VI. STRATEGY, ATIVITIES TO BE COVERED AND IMPLEMENTATION

(A) With a view to make DBL CSR Policy sustainable, its activities will be based on Core Competency, Community and Business Associates having multi stake holders approach and also execute CSR objectives on the ideals of social justice without discrimination. Identification of projects, would be based on (i) requirements relating to baseline survey; (ii) activities to be undertaken; (iii) budget requirements;(iv) time-line; (v) responsibilities and authorities defined; and (vi) results expected

(B) Activities covered relate to

- (i) Eradicating extreme hunger and poverty and malnutrition, promoting health care including preventive health care promoting preventive health care and sanitation and making available safe drinking water;
- (ii) Promotion of education including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement project;
- (iii) Promoting gender equality, empowering women, setting up homes and hostels for omen 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;
- (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, 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 or the State Governments for socio-economic development and relief and funds for the welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- (ix) Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Govt.;
- (x) Rural development projects.
- (xi) Slum Area Development.
- (xii) Any other activity which may be permitted under the relevant CSR rules framed by the Central Government.

(C) The implementation of the CSR strategy may be done by any of the following means:

- i. **DBL as Promoter:** DBL shall take up CSR activities on its own;
- ii. **DBL as a Partner:** DBL shall take up Corporate Strategic Responsibility Projects on a sustainable basis in partnership with Voluntary Bodies, Autonomous Bodies, Statutory Agencies, State and Central Government Agencies;
- iii. **DBL as Facilitator:** DBL shall contribute to various Socially Beneficial Projects in and around location where DBL has its business operations and in the Country at large.
- iv. **DBL** through a registered trust or a registered society or a company established by it or its subsidiary company or associate to carry out CSR activities or a specialised agency which includes, (i) community based organization whether formal or informal; (ii) elected local bodies such as Panchayat; (iii) voluntary agencies (NGOs); (iv) institutes/academic organizations; (v) self help groups; (vi) government, semi-government and autonomous organisations; (vii) mahila mandals/samitis and the like; (viii) contracted agencies for civil works and (ix) professional consultancy organisations.

(D) The broad Guidelines for implementation of the CSR activities are:

- (a) Company shall give preference to the local area and areas around where it or its subsidiaries operate.
- (b) The CSR expenditure would be on activities mentioned above or as may be permitted under the Companies Act, 2013.
- (c) The maintenance and running of the assets shall be the responsibility of the implementing agency and the Company shall not be liable to recompense for same.
- (d) There should be a time frame for implementation of the CSR project/programme/activity.
- (e) One off events like marathon/awards, etc., shall not be considered as CSR activity.
- (f) The modalities of utilisation of funds, monitoring of the CSR activities and reporting thereof shall be agreed upon between the implementing agency and the Company whenever the activity is undertaken through the implementing agency.
- (g) In case of substantial/major participation in a CSR activity, the Company can ask for an audit report for appropriate utilisation of funds.
- (h) The Company can collaborate with other Companies for undertaking CSR activities.
- (i) Contributions to corpus of a trust/society/section 8 companies, etc., will qualify as CSR expenditure as long as such entity is created exclusively for undertaking CSR activities or where corpus is created exclusively for a purpose directly relatable to a subject covered in Schedule VII of the Companies Act, 2013.
- (j) The CSR activities that benefit primarily the employees of the Company and their families shall not be considered as CSR activity.
- (k) Expenses incurred for the fulfilment of any Act/Statute or Regulations, for eg., Labour Laws, etc., would not count as CSR expenditure.
- (l) The surplus arising out of the CSR activities shall not form part of the business profit of the Company.

(E) Methodology For Implementation

- a) The CSR team shall assist in developing all proposals under CSR activity in consultation with internal stakeholders.
- b) All the CSR proposals shall be referred to Group Head - CSR for evaluation.
- c) The Group Head - CSR shall evaluate the usefulness of the proposal and the budgetary support and send his recommendation to the CSR committee constituted by the Board.
- d) The CSR Committee shall consider and deliberate on the recommendation and thereafter grant their approval.
- e) The CSR Committee may interact with the concerned Officials for seeking suitability/justification for the proposed CSR activity and may also fix priorities of the activities to be undertaken under CSR.

VII. MONITORING

The Group CSR Department headed by the Group Head - CSR shall be the Nodal Officer and shall submit a quarterly report on the on-going CSR activities, the progress made thereunder and the amount of expenditure incurred on the said activity.

The report of the Nodal Officer shall be placed before the CSR Committee for its information.

VIII. SOURCE OF FUND

The fund for the CSR should be allocated based on at least two per cent. of the average net profits of the company made during the three immediately preceding financial years. The net profits shall be computed as per Section 198 of the Companies Act, 2013. In case the Company could not spend the envisaged amount on CSR activities during the relevant financial year, the Board shall specify the reasons thereof in its Annual Report and the balance shall be carried forward. The corpus would include the following: (a) 2% of the average net profits, and (b) surplus arising out of CSR activities.

IX. UPKEEP AND MAINTENANCE OF ASSETS CREATED:

Maintenance of Assets created under CSR would be the Responsibility of the entity managing the activities/implementing agency and the Company shall not assume the same.

X. CONCLUSION

The above guidelines would form the framework around which the CSR activities would be undertaken. DBL will review the Policy from time to time based on changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary.