

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

Deccan Cements Limited is not only doing good business, but also understands its responsibility towards the environment and people in and around it.

Formulation of CSR Policy:

As per the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 the company has framed this CSR Policy.

This Policy encompasses the company's philosophy for delineating its responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare and sustainable development of the community at large.

CSR Committee:

The Board shall constitute a CSR Committee consisting of three or more directors, out of which at least one director shall be an independent director. The company secretary of the Company shall act as the Secretary of CSR Committee. The quorum for transacting business at a meeting of the CSR Committee shall be two or one-third of the members of the CSR Committee, whichever is greater. The Committee shall meet, as and when required. However, it shall meet at least once in a year.

Role of the CSR Committee:

The CSR Committee shall be responsible for the following activities:

- (a) Formulating and recommending to the Board, a CSR Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII; and
- (b) Recommending the amount of expenditure to be incurred on the activities referred to in clause (a); and
- (c) Monitoring the CSR Policy of the company from time to time; and
- (d) Formulating and recommending to the Board, an annual action plan in pursuance of this CSR policy, which shall include the following:
 - the list of CSR projects or programmes that are approved to be undertaken;
 - the manner of execution of such projects or programmes;
 - the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - monitoring and reporting mechanism for the projects or programmes; and
 - details of need and impact assessment, if any, for the projects undertaken by the company;

provided that the Board may alter such annual action plan at any time during the financial year, as per the recommendation of its CSR Committee, based on reasonable justification to that effect.

RESPONSIBILITIES OF THE BOARD:

The Board shall:

- Form a CSR Committee, and disclose the composition of the CSR Committee in its Report and website of the Company.
- Approve the CSR Policy after taking into account the recommendations made by the CSR Committee, and place the same on the Company's website and disclose the same in its Report.
- Approve the Annual Action Plan and revise such plan, if needed, from time to time after taking into account the recommendations of the CSR Committee.
- On the recommendation of the CSR Committee, decide whether any projects to be undertaken shall be ongoing projects or not.
- Ensure implementation of the CSR activities as per this Policy.
- Ensure that the Company spends, in every financial year, at least two per cent of the average Net Profits of the Company, calculated in accordance with the provisions of section 198 of the Companies Act, 2013 ("the Act"), made during the three immediately preceding financial years, in pursuance of this CSR Policy.
- Disclose reasons for not spending the amount, if any, in the Annual Report.
- Ensure that the administrative overheads are not more than 5% of the total CSR Expenditure.
- Ensure that the funds so disbursed have been utilized for the purposes and in the manner as approved by Board on the recommendation of the CSR Committee, and the Chief Financial Officer shall certify to this effect.
- Approve transfer of unspent CSR Amount in accordance with the law.
- Ensure that surplus on any projects shall not be part of business profits of the Company, and shall be plough back to the CSR Projects.

CSR Programmes/Projects:

The Company shall focus on the following CSR activities:

- (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) training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports
- (viii) 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 govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- (ix) (a) 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; and
 - (b) 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).
- (x) rural development projects
- (xi) slum area development.

Explanation.- For the purposes of this item, the term `slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.
- (xii) disaster management, including relief, rehabilitation and reconstruction activities.

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

Identification/Selection of projects:

The projects would be identified as per the requirement in the community in the local areas where the company operates. Professional agencies may be engaged in conducting need based assessment in some projects, wherever required.

In case any of the CSR Activities to be undertaken are anticipated to be long term i.e. an ongoing project, being of a term of 3 (three) years excluding the financial year in which it was commenced, then a detailed estimate on implementation schedule or milestones should be submitted by the CSR Committee to the Board.

Implementation of CSR projects:

After identification of projects, and approval of the Board, the Company may implement the projects either itself or through -

- (a) - a company established under section 8 of the Act, or
 - a registered public trust or
 - a registered society,
 - registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or
- (b) - a company established under section 8 of the Act, or
 - a registered public trust or
 - a registered society,
 - established by the Central Government or State Government; or
- (c) any entity established under an Act of Parliament or a State legislature; or
- (d) - a company established under section 8 of the Act, or
 - a registered public trust or
 - a registered society,
 - registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

Except the Company, every entity, who intends to undertake any CSR activity, shall register itself with the Central Government by filing the Form CSR-1 electronically, or such other Forms as may be prescribed with the Registrar of Companies.

The Company may also collaborate with other companies to undertake CSR projects, provided the CSR Committees of the respective companies are able to report separately on such projects.

The management may undertake projects, as per the need, subject to ratification by the CSR Committee and the Board of Directors subsequently. However, total outlay on such projects shall not exceed 10% of the total CSR obligations during a financial year.

Alteration/amendment/modification of the CSR Policy:

The Board of the Company may, subject to compliance with applicable law, at any time alter, amend or modify the CSR Policy as it deems fit to comply with the statutory obligation of the Company to undertake the CSR Activities.