

CORPORATE SOCIAL RESPONSIBILITY POLICY
[Section 135 of the Companies Act, 2013]**1. PREAMBLE**

- 1.1 We, at Dalmia Cement (Bharat) Limited and its group Companies ("**Company**" or "**Group**") have the vision to unleash the potential of everyone we touch. As we seek to do that, we aim at sustainable and inclusive growth, by making definitive triple bottom-line (social, economic and environmental) impact. While we have always had a strong commitment to comply with 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 the Group's values. Aiming at creating shared values for all stakeholders, we seek to integrate corporate social responsibility ("**CSR**") into our businesses processes.
- 1.2 In compliance with the provisions of section 135 of the Companies Act, 2013 ("**Act**") including Schedule VII thereof, and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("**Rules**"), as amended from time to time, the Company shall undertake its CSR initiatives, projects, programmes (either new or ongoing) in a manner compliant with the Act and the Rules ("**CSR Activities**").

2. CSR POLICY

This policy ("**Policy**") spells out the Company's philosophy towards its CSR and lays down the guidelines, framework and mechanism for effective planning, implementation and monitoring of its CSR Activities.

3. CSR VISION

To unleash the potential of everyone we touch.

4. CSR MISSION

To facilitate social, economic and environmental progress through effective management and utilization of human and natural capital.

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5. CSR OBJECTIVES

- 5.1 Our approach towards CSR is based on our Company's core values, which include fostering inclusive growth by sharing some of the wealth we create with the society at large. 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 utilize the potential of human and natural capital around us in a manner that facilitates social, economic and environmental progress. The main objective of this Policy is to lay down guidelines for the Company to make CSR a key business process for sustainable development of the society. The Company aims to be a good corporate citizen by subscribing to the principles of integrating its economic, environmental and social objectives, and effectively utilizing its own resources towards improving the quality of life and building capacities of its stakeholders, local communities, and society at large.
- 5.2 The units of the Group are located at various locations across India. Efforts will be made to focus on CSR Activities in areas around the units of the Group. CSR Activities may also be undertaken in other areas, if so considered appropriate.

6. APPLICABILITY OF THE POLICY

This Policy shall be applicable to all CSR Activities undertaken by the Company in accordance with the provisions of Section 135 of the Act, Schedule VII of the Act and the Rules (as amended from time to time).

7. DEFINITIONS

In this Policy, unless the context requires, the following words shall have the meaning ascribed to them hereunder:

"Administrative Overheads" means the expenses incurred by the Company for 'general management and administration of Corporate Social Responsibility functions of the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;

"Corporate Social Responsibility (CSR)" means the initiatives, activities, projects or programmes undertaken by the Company in pursuance of its statutory obligation laid down in Section 135 of the Act in accordance with the provisions contained in the Rules, but shall not include the following, namely: -

- (i) activities undertaken by the Company in pursuance of the normal course of its business;
- (ii) activities that solely benefit the employees of the Company and their families;

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- (iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- (iv) activities carried out for fulfilment of any other statutory obligations under any law in force in India;
- (v) activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services; and
- (vi) activities undertaken outside of India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level.

“International Organisation” means an organisation notified by the Central Government as an international organisation under section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), to which the provisions of the Schedule to the said Act apply;

"Net profit" means the net profit of the Company as per financial statements prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely: -

1. any profit arising from any overseas branch or branches of the company, if any, whether operated as a separate company or otherwise; and
2. any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act:

“Ongoing Project” means a multi-year project undertaken by the Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the Board of Directors based on reasonable justification;

“Public Authority” means ‘Public Authority’ as defined in clause (h) of section 2 of the Right to Information Act, 2005 (22 of 2005);

Words and expressions used and not defined in this Policy but defined in the Act shall have the same meanings respectively assigned to them in the Act.

8. CSR COMMITTEE

The CSR Committee of the Company (**“CSR Committee”**) shall at all times be constituted in accordance with the provisions of the Act and the Rules. It shall comprise at least 3 (three) directors, out of which at least one director shall be an independent director. The CSR Committee shall elect one of the members as the Chairperson of the CSR Committee.

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9. ROLE OF THE CSR COMMITTEE

The CSR Committee shall be responsible for:

- (i) Formulating and recommending to the Board of Directors ("**Board**"), an Annual Action Plan in pursuance of CSR policy, which shall include the following, namely: -
 - a. the list of CSR Activities that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - b. the manner of execution of CSR Activities;
 - c. the modalities of utilisation of funds and implementation schedules for the CSR Activities;
 - d. monitoring and reporting mechanism for the CSR Activities; and
 - e. details of need and impact assessment, if any, for the CSR Activities undertaken by the company:

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

- (ii) formulating Company's CSR Policy and making modifications, amendments, clarifications, deletions to the Policy, as and when considered necessary, in accordance with the provisions of the Act and Rules and recommending the same to the Board for its approval;
- (iii) recommending the budget and amount of expenditure to be incurred by the Company on CSR Activities;
- (iv) identification and specification of CSR Activities to be undertaken along with identification of the implementing agency for such activities (as may be relevant);
- (v) instituting a transparent monitoring mechanism for implementation of the CSR Activities undertaken by the Company and proper utilization of funds;
- (vi) periodically review the progress being made in the planned CSR Activities;
- (vii) may seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary; and
- (viii) any other activities / functions, as may be assigned by the Board.

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10. CSR ACTIVITIES

In light of the Company's vision and objectives as set out above, the Company shall undertake CSR Activities within the overall ambit of Schedule VII to the Act, as mentioned herein below:

- (i) **Health & Hygiene:** eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- (ii) **Education:** promoting education including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement project;
- (iii) **Gender Equality:** 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) **Environment Sustainability:** 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 for rejuvenation of river Ganga;
- (v) **Heritage Protection:** 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) **Armed Forces:** 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) **Sports:** training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports;
- (viii) **Contribution:** 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 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) **Research & Development:**

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- (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;
 - (xii) disaster management, including relief, rehabilitation and reconstruction activities; and
 - (xiii) such other activities as may be prescribed under the Act and Rules from time to time.

11. IMPLEMENTATION

The implementation of the CSR Activities may be done by one or more of the following means:

- (i) the Company may undertake the CSR Activities on its own;
- (ii) the Company may also collaborate with other companies including its holding, subsidiary and associate companies for undertaking CSR Activities in such a manner that the CSR Committee of the Company as well as the committees of such other companies are in a position to report separately on CSR Activities;
- (iii) the Company may decide to undertake CSR Activities 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 80G of the

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Income Tax Act, 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 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 3 (three years) in undertaking similar activities.

The Company shall ensure that every entity through which the Company proposes to carry out CSR activities is registered with the Ministry of Corporate Affairs and has a valid CSR registration number as stated in the Rules.

The Company may also engage International Organisations for designing, monitoring and evaluation of the CSR projects or programmes as per its CSR policy as well as for capacity building of their own personnel for CSR. Such engagement shall have approval from CSR Committee of the Company.

If required, suitable documents/agreements shall be entered into by the Company with other entities, societies, agencies or companies for the purposes of implementation of the CSR Activities. The conditions of grant of amounts to such entities, societies, agencies or companies, the break-up of allocations and monitoring methodology shall be set out in such documents/agreements and evaluated from time to time.

12. CSR EXPENDITURE, ALLOCATION AND DISBURSEMENT OF FUNDS

- 12.1 The CSR initiatives, activities, projects and programmes shall be carried out after approval of the Board and CSR Committee shall provide its recommendations to the Board on the proposed CSR initiatives, activities, projects and programmes.
- 12.2 The Company shall spend the available funds into two kinds of projects or programmes, viz. (i) long term multiyear Ongoing projects; and (ii) medium to short term projects or programme. The CSR Committee shall be at its liberty to determine the allocation of funds year on year basis between the two categories.
- 12.3 The CSR Committee shall recommend the amount of expenditure to be incurred on the CSR Activities to be undertaken by the Company, for the consideration and approval of the Board.

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12.4 The Board shall ensure that the Company spends, in every financial year, a minimum of 2% (two percent) of the average Net Profits of the Company made during the 3 (three) immediately preceding financial years in compliance with the provisions of the Act and in pursuance of this Policy. The overall CSR expenditure shall be approved by the Board based on the recommendations of the CSR Committee.

12.5 The Board shall also ensure that:

- a) the Administrative Overheads shall not exceed 5% (five percent) of total CSR expenditure of the company for the financial year;
- b) any surplus arising out of the CSR Activities shall not form part of the business profit of a Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the Company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year; and
- c) If Company spends an amount in excess of its CSR obligations, such excess amount may be set off against the requirement to spend on the future CSR obligations up to immediate succeeding 3 (three) Financial Years subject to the conditions that –
 - I. the excess amount available for set off shall not include the surplus arising out of the CSR Activities; and
 - II. the Board shall pass a resolution to that effect.

12.6 The CSR amount may be spent by the company for creation or acquisition of a capital asset, which shall be held by -

- i. a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number; or
- ii. beneficiaries of the CSR project(s), in the form of self-help groups, collectives, entities; or
- iii. a Public Authority:

12.7 In the event the Company fails to spend up to a minimum of 2% (two percent) of the average Net Profits of the 3 (three) immediately preceding financial years or such sum as may be prescribed or any part thereof on CSR Activities, reasons for not spending such amount shall be disclosed in the Board's Report and unless the unspent amount relates to any Ongoing Project, the Company shall transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

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- 12.8 Any amount if remains unspent, pursuant to any Ongoing Project, shall be transferred within a period of 30 (thirty days) from the end of the financial year to a special account to be opened in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the Company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the Company shall transfer the same to a Fund specified in Schedule VII, within a period of 30 (thirty days) from the date of completion of the third financial year.

13. MONITORING

- 13.1 The Company shall obtain project implementation report from respective implementing partners / agencies / NGOs on a periodic basis, which shall *inter-alia* include the amount contributed by the Company, progress made on the CSR project or programme, amount incurred on the said project or programme, and shall present the same to CSR Committee.
- 13.2 The CSR Committee shall monitor the CSR Activities to ensure that they are being carried out in compliance with this Policy, the Act and in accordance with the approved budget, implementation schedules and processes.
- 13.3 The CSR Committee shall also ensure that the funds disbursed have been utilised for the purposes and in the manner as approved by it. The Chief Financial Officer of the Company shall certify on an annual basis to the CSR Committee and the Board to this effect.
- 13.4 In case of Ongoing Project, the CSR Committee shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and may make modifications, if any, for smooth implementation of the project within the overall permissible time period and shall recommend the same for consideration and approval of the Board.

14 REPORTING

As required by the provisions of the Companies Act and Rules made thereunder, the Company shall disclose the composition of the CSR Committee, and CSR Policy and CSR projects and programmes approved by the Board on its website for public access. The CSR Committee shall forward a report to the Board on an annual basis containing particulars as stated under Rule 8(1) of the Rules. The Board's Report of the Company pertaining to any financial year shall include an annual report on CSR containing particulars specified in the Rules, as applicable.

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15 IMPACT ASSESSMENT

- 15.1 If Company's average CSR obligation is of Rs. 10 (Ten Crore) or more, in the 3 (three) immediately preceding Financial Years, the Company shall undertake impact assessment, through an independent agency, of the CSR projects having outlays of Rs. 1 (One) Crore or more, and which have been completed not less than one year before undertaking the impact study.
- 15.2 The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

16 AMENDMENT TO THE POLICY

The Board of Directors may review or amend this Policy, in whole or in part, from time to time, as per the requirements of the Act or any other enactments/rules as may be applicable.

This Policy is in addition to and not in derogation of the provisions of the Act. In case of any inconsistency, the provisions of the Act shall prevail.

In case of any subsequent changes to the Act or the Rules which make any of the provisions of the Policy inconsistent with the Act or the Rules, as the case may be, the provisions of the Act and the Rules would prevail over the Policy and the provisions of the Policy would be modified in due course to make it consistent with applicable law.

Note: This policy was adopted by the Board of Directors of the Company at its meeting held on November 7, 2017 and amended at its meeting held on July 26, 2021. The 2nd amendment to the Policy was approved by the Board of Directors in its meeting held on November 1, 2022



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COMPOSITION OF CSR COMMITTEE

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| 1. Mrs. Sudha Pillai | Independent Director
& Chairperson |
| 2. Mr. Puneet Yadu Dalmia | Managing Director & CEO |
| 3. Mr. Gautam Dalmia | Non-Executive Director |
| 4. Mr. Mahendra Singhi | Non-Executive Director |
| 5. Mr. Venkatesan Thyagarajan | Non-Executive Director |