

Corporate Social Responsibility (CSR) Policy of Deepak Industries Ltd.

Corporate Social Responsibility is strongly connected with the principles of Sustainability. CSR is the recognition on the part of management of an obligation to the society. It serves not only for maximum economic performance, but also for humane and constructive social policies as well. The concept involves two phases. On the one hand, it means not doing things that create problems for the society. On the other, it may be expressed as the voluntary assumption of the obligation to help solve social problems.

Therefore, it is the core corporate responsibility of Deepak Industries Ltd. to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders.

1. Guiding Principles

Deepak Industries Ltd. recognizes that its business activities have wide impact on the society in which it operates. Our aim is to deliver superior and sustainable value to all our customers, business partners, shareholders, employees and host communities. Our CSR initiatives focus on holistic development of local communities and create social, environmental and economic value to the society.

To pursue these objectives, we will continue to -

- ⌘ uphold and promote the principles on inclusive growth and equitable development.
- ⌘ Extend support to community development plans based on needs and priorities of host communities.
- ⌘ Extend active support in areas of preventive health and sanitation, education skills for employability, livelihoods and income generation, waste resource management and water conservation for host communities for enhancing Human Development Index.
- ⌘ Collaborate with likeminded bodies like governments, voluntary organisations and academic institutes in pursuit of our goals.
- ⌘ Use environment friendly and safe processes in production.
- ⌘ Ensure environmental sustainability by adopting best ecological practices and encouraging conservation/judicious use of natural resources.

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- ⤴ Create positive awareness towards the need to adopt measures that lead towards reducing carbon footprints, dependence on fossil fuels and promote alternate energy approaches.
- ⤴ Work towards mainstreaming the marginalized segments of the society by making meaningful difference in their lives.
- ⤴ Interact regularly with stakeholders and review our CSR initiatives.

2. Constitution of CSR Committee

The Board has the power to constitute the CSR Committee consistent with the Company's policy and applicable statutory requirements.

3. Policy for CSR Activities

The donations / contributions and community development activities may be undertaken by the Company in the following fields –

- (a) Eradicating hunger, poverty and malnutrition, promoting 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.
- (b) Promoting education, including special education and employment enhancing vocational skill specially among children, women, elderly, and the differently abled and livelihood enhancement projects.
- (c) 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.
- (d) 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 including contribution to Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga.
- (e) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotions and development of traditional arts and handicrafts;
- (f) Measures for 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.
- (g) Training to promote rural sports, nationally recognised sports, Paralympics sports and Olympic sports.
- (h) 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 for socio-economic development and relief and welfare of

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the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;

- (i) Contribution of funds provided to incubators funded by Central Government or State Government or any agency or Public Sector Undertaking of Central Government or State Government and contributions to public funded Universities and institutions as prescribed by the Government which are engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).
- (j) Rural development projects.
- (k) Slum Area Development
- (l) Disaster Management, including relief, rehabilitation and reconstruction activities.
- (m) Any other allowable CSR that may be inserted and allowed vide schedule VII of the Companies Act, 2013.

Provided that CSR activities shall not include –

- Contribution of any amount directly or indirectly to any political party under Section 182 of the Companies Act, 2013.
- Activities undertaken in pursuance of normal course of business of the company.
- Programs or activities undertaken for the benefit of only of the employees of the Company and their families.
- CSR activities or programs undertaken out of India.
- Such other activities excluded by Act, rules made thereunder and other applicable statutory provisions

The Company may undertake its CSR activities directly or through –

- 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 (43 of 1961), established by the company, either singly or alongwith any other company or;
- 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;
- any entity established under an Act of Parliament or a State legislature or;
- 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 atleast three years in undertaking similar activities ;

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- collaboration with other companies, in such a manner that CSR committees of respective companies are in a position to report separately on such projects, or ;
- building CSR capacities of its own personnel as well as of its implementing agencies through institutions with established track records of at least three financial years but such expenditure including expenditure on administrative overheads shall not exceed 5 % (five percent) of total CSR expenditure of the Company for the financial year.

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

4. Funding

The allocation of funds for CSR projects & activities will be in compliance of the Companies Act, 2013, the rules made there under or any other applicable statutory provision and any amendment or re-enactment thereto.

5. Audit

All CSR activities and expenses made thereon will be subject to audit by the Company's Auditors.

6. General

- a) All administrative expenses including expenditure on wages & salaries, tours and travels, training & development of personnel deputed on CSR activities would be borne from CSR funds and shall not exceed the limits prescribed by the Act and rules made thereunder.
- b) The Board shall take decision based on the recommendations of CSR Committee, on sanctioning works/allocation of funds for CSR and appointing authorized agencies for implementing Projects/Activities.
- c) If it is observed that any CSR activity taken up for implementation is found not properly implemented, the Board may on the recommendations of the CSR Committee may discontinue funding the project at any time during the course of implementation.
- d) The Board may amend or modify this policy on the recommendations of CSR Committee
- e) The provisions of Companies Act 2013, rules made thereunder and other applicable provisions as may be amended from time to time shall over ride the contents of this CSR policy.

7. Disclosure

The Board's Report shall give an annual report on CSR activities as per The Companies (Corporate Social Responsibility Policy) Rules 2014 giving details required thereunder.

This CSR policy shall be displayed on the website of the Company.