

CORPORATE SOCIAL RESPONSIBILITY

The Company is committed to ensure the social well being of the society through Corporate Social Responsibility (CSR) Programmes, while meeting the interests of its stakeholders.

Towards this vision the Company intends to support corporate social responsibility initiatives across the country through various initiatives including but not limited to education, vocational training, sanitation, hygiene, health women empowerment etc.

AIMS & OBJECTIVES:

- > To develop a long-term vision and strategy for Company's CSR Programmes.
- > Establish relevance of potential CSR activities and create an overview of activities to be undertaken, in line with Schedule VII of the Companies Act, 2013.
- > To establish process and mechanism for the implementation and monitoring of the CSR Programmes.

MODALITIES OF EXECUTION AND IMPLEMENTATION:

- > The Company's CSR Programmes would be implemented through various implementing agencies such as NGO's, non-profit organizations, etc. Such implementing agencies shall have an established track record as prescribed under the law.
- > Some of the initiatives taken up will have the involvement of Company's employees as volunteers in ongoing projects and events, giving them an opportunity to engage in socially meaningful activities, thus, enabling them to realize their full potential and role as socially responsible citizens.
- > Company may also collaborate or pool resources with other companies to undertake CSR activities in such a manner that each company is in a position to report separately on such CSR activities.

The following activities do not qualify as CSR activities under the Companies Act, 2013:

- (i) Projects or activities not falling within Schedule VII of the Companies Act, 2013
- (ii) Activities undertaken in pursuance of normal course of business
- (iii) Projects or programs or activities that benefit only the employees of DDFS and their families
- (iv) Direct and indirect contribution to any political party
- (v) Activities undertaken outside India
- (vi) One-off events such as marathons/awards/charitable contribution/advertisement/ sponsorship of TV programmes etc.
- (vii) Expenses incurred for fulfillment of any Act/Statute of regulations such as labour laws, land acquisition act etc.

CSR EXPENDITURE:

- (a) The CSR expenditure will include all expenditure, direct and indirect, incurred by the Company in undertaking the CSR Programmes.
- (b) The CSR Committee shall recommend to the Board the amount of expenditure to be incurred on the CSR Programmes which shall not be less than 2% of the average net profits of the Company made during the three immediately preceding financial years. Average Net profits shall mean the net profits of the Company as per the Profit & Loss Statement prepared in accordance with the Companies Act, 2013; Net Profits shall exclude:
 - (i) Profits arising from any overseas branch or branches of the Company (whether operated as a separate company or otherwise); or
 - (ii) Dividend received from other companies in India.
- (c) The CSR Committee shall also recommend to the Board from time to time the amount of expenditure to be incurred on any particular CSR activity falling within the ambit of approved CSR Programme.
- (d) The CSR expenditure shall not include expenditure on an item not in conformity or not in line with activities which fall within the purview of the CSR activities listed in Schedule VII of the Companies Act, 2013.
- (e) The surplus arising out of the CSR activities or projects shall not form part of the business profit of the company.

GOVERNANCE:

- (a) The CSR Committee will review the implementation of CSR Programmes from time to time and issue necessary directions to ensure orderly execution.
- (b) The CSR Committee shall recommend the CSR Expenditure to be incurred on the CSR activities.
- (c) The CSR Committee shall institute a transparent mechanism for implementation of the CSR Programmes.
- (d) The CSR Committee members or the persons authorized by them may visit the project site to review the work being carried on.
- (e) The CSR Committee will submit its report with regard to the CSR Programmes undertaken by the Company, their accomplishment, the spend made and such other information as would be required by the Board.

AMENDMENTS:

The CSR Policy may be reviewed and amended from time to time as per the recommendations of the CSR Committee by the Board.

CSR PROGRAMMES/ACTIVITIES:

- (a) The Company may engage in one or more of the following activities relating to:- Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.
- (b) Promoting education, including special education and employment enhancing vocation skills especially 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, agroforestry, conservation of natural resources and maintaining quality of soil, air and water.
- (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, promotion and development of traditional arts and handicrafts.
- (f) Measures for the benefit of armed forces veterans, war widows and their dependents.
- (g) Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports.
- (h) Contribution to the Prime Minister's 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.
- (i) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government.
- (j) Rural development projects.
- (k) Such other activities included in Schedule VII of the Companies Act, 2013 as may be identified by the CSR Committee from time to time, which are not expressly prohibited.
- (l) It may be noted that the above activities are indicative and are activities that the Company may at any point of time engage, but all such activities may not be taken up by the Company every year.