

DCW LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. CONCEPT AND VISION :

The company strongly believes that sustainable community development is essential for harmony between the community and the industry. It endeavours to make a positive contribution to the underprivileged communities by supporting a wide range of socio-economic, educational and health initiatives.

In this regard, the Company has made this policy which 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 & sustainable development of the community at large and is titled as the "CSR Policy" which is based as per The Companies (Corporate Social Responsibility Policy) Rules, 2014 initiated by the Central Government under the relevant provisions of Section 135 of the Companies Act, 2013 and Schedule VII of the said Act.

This CSR Policy shall apply to all corporate social responsibility initiatives and activities undertaken by the Company for the benefit of different segments of the society and for enhancement of the fields like education, health care, environment, employment, promoting gender equality and women empowerment etc. more particularly described below.

2. OBJECTIVES OF THE POLICY

The objectives of this policy are to :

- i - Demonstrate commitment to the common good through responsible business practices and good governance.
- ii - Set high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models.

3. APPLICABILITY

- i) The Company's CSR policy has been developed as per Section 135 of the Companies Act, 2013 (referred to as the Act in this policy) on CSR and in accordance with the CSR Rules (hereby referred to as the Rules) notified by the Ministry of Corporate Affairs, Government of India in 2014.
- ii) The policy shall apply to all CSR projects/programmes undertaken by the Company in India as per Schedule VII (Activities which may be included by Companies in their Corporate Social Responsibilities Policies) of the Act.

- iii) CSR Policy is also in accordance with the various clarifications and notifications of MCA issued till date.

4. CSR INITIATIVES AND ACTIVITIES

The Company may adopt one or more of the following initiatives and activities under this CSR Policy:

- i) Eradicating hunger, poverty and mal-nutrition, promoting preventive health care and sanitation including the contribution to the Swachh Bharat Kosh set up by the Central Government for the promotion and sanitation and making available safe drinking water; (modified as per the MCA notification dated 24th October, 2014)
- 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, agro forestry, 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. (modified as per the MCA notification dated 24th October, 2014)
- (v) Protection of natural 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 arm forces verterans, war windows and their dependents;
- (vii) Training to promote rural sport, nationally recognized sports, Paralympic sport and Olympic sports;
- viii) Contribution to the Prime Minister's National 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;

(ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government;

(x) Rural development project.

(xi) Slum area development.

5. MODALITIES/ IMPLEMENTATION SCHEDULE OF THE PROJECT / PROGRAMME

The modalities and the time period and / or the duration over which CSR Initiative and Activity will be spread will depend on its nature, extent of coverage and the intended impact of the said initiative or activity which will be determined by the CSR Committee.

6. CSR BUDGET

For achieving its CSR initiatives and activities through implementation of meaningful and sustainable CSR programmes, the Company will endeavor to allocate, in every financial year, at least 2% of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. For the purpose of the CSR Policy the 'net profit' of the Company shall mean the net profit as defined in the Gazette of Government of India vide its G.S.R. notification dated 27th February, 2014.

Annual CSR budget would also include :

(a) 2% of the average net profits as defined above;

(b) Any income arising there from; and

(c) Surplus arising out of CSR Initiatives and Activities (any surplus arising out of the CSR projects or programs or activities shall not be part of the business profits of the Company).

Salaries paid by the Companies to the regular CSR staff as well as to the volunteers of the Companies (in proportion to Company's time/hours spent specifically on CSR can be factored into CSR project cost as part of the CSR expenditure, but such expenditure shall not exceed 5% of the total CSR expenditure of the Company in one Financial year.

8. IMPLEMENTATION :

8.1 CSR Committee :

CSR Initiatives and Activities will be initiated by a Committee comprising of Three members – Chairman & Managing Director, Managing Director and Independent Director of the Company (“**CSR Committee**”)

CSR Committee shall :

- (a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII.
- (b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- (c) Monitor the Corporate Social responsibility Policy of the Company from time to time.

The Company may build CSR capacities of its own personnel as well as those of its implementing agencies through Institutions with established track records of atleast three financial years.

CSR Initiatives and Activities identified under this CSR Policy may also be implemented through specialized executing agencies/partners which could include voluntary organization, formal or informal elected local bodies such as Panchayats; Institutes/Academic Institutions; other Trusts; Self Help Groups; Government/Semi Government Agencies/autonomous organizations; Mahila Mandals Professional Consultancy Organisations etc.

The CSR Committee shall institute a transparent monitoring mechanism for implementing CSR projects for programs or activities undertaken by the Company.

The CSR Committee can delegate its responsibilities pertaining to monitoring and overseeing the implementation of the CSR initiatives and activities to any senior level employee/s of the Company as and when required, though the decisions to contribute to and/or engage in any particular initiative or activity will only be undertaken by the CSR Committee.

9. ROLE OF BOARD OF DIRECTORS

- Review the recommendations made by the CSR Committee.
- Approve the CSR policy of the Company.

- Disclose the contents of the policy in the Company's report/website.

10. AREA OF CSR INITIATIVES AND ACTIVITIES:

The CSR Committee shall while spending/contributing the Annual CSR Budget earmarked for the CSR Initiatives/Activities shall give preference to the local areas and areas around it where the Company operates.

11. DISPLAY OF CSR ACTIVITIES

Appropriate documentation and contents of the Company's CSR Policy, annual CSR Initiatives and activities undertaken with the approval of the CSR Committee through any Charitable Trust and/or specialized executing agencies/ partners, and information on the CSR expenditure incurred will be available on the Company's website www.dcwLtd.com.

Details on CSR as indicated below will also be reported in the Annual Report of the Company:-

- (a) A Brief outline of the CSR policy;
- (b) The Composition of the CSR Committee.
- (c) Average net profit of the Company for the last three financial years.
- (d) Prescribed CSR expenditure.
- (e) Total amount to be spent for the financial year;
- (f) Amount unspent, if any;
- (g) Amount carried forward from earlier years;
- (h) Amount spent during the year in the format as prescribed in Annexure-I; and
- (i) Amount carried forward for the year.

In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

The progress of CSR Initiatives and Activities under implementation will be reported to the Board of Directors of the Company on regular basis.

ANNEXURE-I

Sr. No.	CSR Project or Activity identified	Sector in which project is covered	Projects or Programs: 1.Local area or other 2.Specify the state district where projects or programs was undertaken	Amount outlay (budget) project or programs otherwise	Amount spent on the projects or programs: 1.Direct Expenditure on projects or on programs 2.Overheads	Cumulative Expenditure up to the reporting period	Amount spent: Direct or through implementing agency
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12. **GENERAL:**

Any or all provisions of this CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued by Government of India, from time to time.

The Company also reserves the right to modify, cancel, add, or amend any of the provisions of this CSR Policy.