

**CORPORATE AND SOCIAL RESPONSIBILITY (CSR)**  
**POLICY**

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## **CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY**

### **1. INTRODUCTION & DEFINITION OF CSR**

In accordance with Section 135 of the Companies Act, 2013 ("Act") read with Schedule VII of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("Rules"), every company having

- (a) net worth of Rs. 500,00,00,000/- (Rupees Five Hundred Crores only) or more;
- (b) turnover of Rs. 1000,00,00,000/- (Rupees One Thousand Crores only) or more; or
- (c) a net profit of Rs. 5,00,00,000/- (Rupees Five Crores only) or more,

during the immediately preceding financial year, is required to constitute a corporate social responsibility committee, formulate a policy on corporate social responsibility ("CSR") and spend at least 2% (Two percent) of their average net profits made during the 3 (Three) preceding financial years towards corporate social responsibility activities in accordance with the policy framed by such company.

In compliance with the above provisions of the Act and the Rules, the board of directors ("Board") of Dilip Buildcon Limited ("Company"), has constituted a corporate social responsibility committee of the Company ("CSR Committee") which formulated the Policy on Corporate Social Responsibility ("Policy"). The Board has, on the basis of recommendation of the CSR Committee, approved and adopted this Policy to lay down the principles and mechanism for undertaking CSR activities in accordance with Section 135 of the Act read with the Rules framed under the Act in this regard.

A widely quoted definition by the World Business Council for Sustainable Development states that "Corporate Social Responsibility (CSR)" is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large. This policy encompasses the Company's philosophy for giving back to society as a corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for the welfare and sustainable development of the community at large.

### **2. PURPOSE**

Dilip Buildcon Limited (herein after referred as "DBL") is committed to its stakeholders - government, investors, shareholders, associates, community, environment, employees and their families - to conduct its business in a responsible manner that creates a sustained positive impact. The policy is expected to serve in any of the following purpose:-

- eradicating hunger, poverty and malnutrition, promoting health care (including preventive health care) and sanitation (including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation) and making available safe drinking water;
- promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;
- promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- 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;

- 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;
- measures for the benefit of armed forces veterans, war widows and their dependents;
- training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- 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 schedule caste, tribes, other backward classes, minorities and women;
- Contribution 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, Indian Institute of Technology (IITs), National Laboratories and Autonomous Bodies (established under the auspices of Indian Council of Agricultural Research (ICAR), Indian Council of Medical Research (ICMR), Council of Scientific and Industrial Research (CSIR), Department of Atomic Energy (DAE), Defence Research and Development Organization (DRDO), Department of Biotechnology (DBT), Department of Science and Technology (DST), Ministry of Electronics and Information Technology) engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs);
- rural development projects;
- 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.
- Disaster management, including relief, rehabilitation and reconstruction activities.

**Provided that the following activities will not be considered as CSR**

- Contribution of any amount directly or indirectly to any political party shall not be considered as CSR activity;
- CSR activities does not include the activities undertaken in pursuance of normal course of business of a company;
- Any surplus arising out of CSR activities shall not form part of the business profit of the Company.
- CSR activities/projects/programs that benefit only the employees of the Company and their families shall not be considered as CSR activities.
- One -off events such as marathons/awards/charitable contribution/advertisement/sponsorships of TV programmes etc. would not be qualified as part of CSR expenditure.
- Expenses incurred by Companies for fulfilment of any Act/Statute of regulations (such as Labour Laws, Land Acquisition Act, etc.) would not count as CSR expenditure under the Companies Act.

**3. SCOPE AND APPLICABILITY**

Though we are a road, building & infrastructure development enterprise, we recognize the need for us as an organization, to behave responsibly within the community. We undertake to be fully accountable for our actions, and to adequately impact-assess all of our activities, to ensure that we are not adversely affecting the environment, community, economy or culture in which we operate.

#### **4. CSR COMMITTEE**

The CSR Committee of DBL shall institute a transparent monitoring mechanism for implementation of the CSR projects or programmes or activities undertaken by the Company.

- The CSR Committee shall consist 3 (Three) or more directors of which at 1 (One) will be an independent director, unless otherwise required by applicable law.
- The Board shall ensure that the administrative overheads shall not exceed the five percent of the total CSR expenditure of the company for the financial year.
- The Board of the company shall satisfy itself that the funds disbursed to the entities for have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
- The CSR Committee shall formulate an action plan and recommend 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), recommend the amount of expenditure to be incurred on such activities, and monitor the CSR Policy of the company from time to time.
- The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access.

#### **5. TERMS OF REFERENCE**

The terms of reference of the Corporate Social Responsibility Committee shall include the following:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by our Company in accordance with the provisions of Section 135 of the Companies Act, 2013, as amended from time to time.
- Review and recommend the amount of expenditure to be incurred on activities to be undertaken by the Company.
- Monitor the Corporate Social Responsibility Policy of the Company and its implementation from time to time; and
- Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board of Directors or as may be directed by the Board of Directors from time to time.

#### **6. CSR POLICY**

- We envisage three pillars of CSR - economic, social and environmental, which will underpin our CSR policy and practice.
- Our CSR practice will be bench-marked against legal compliance in terms of Employment Rights, Equal Opportunities, Health and Safety, and Environmental Protection such as apply to commercial and public sector organizations, but we fully intend to rise well above this minimum standard.
- We believe that an organization with sound ethical and accountable practices has a competitive advantage in the modern marketplace, and so investment in the development and implementation of effective CSR practices is cost effective, and legitimate in terms of an organization's development.



## **7. BUDGET**

The CSR activities as mentioned under point No.2 will be directly funded or supported by DBL as financial contribution towards activities either undertaken by the Company or a registered trust, society, Non-Government Organization, Foundation's/Institutions corpus / donation.

## **8. MODALITIES OF EXECUTION**

### **8.1 CSR VEHICLE**

- CSR activities will be undertaken directly or through DBL Social Welfare Foundation, a society that has been established by the company.
- If any donation / contribution is to be given to any other company I registered trust I registered society for CSR activity, preference will be given to such company or trust or society which has a track record of at least 3 (Three) years in undertaking similar programs or projects. Further, in such cases, the Company would specify the projects or programs to be undertaken through these entities, the modalities of utilization of funds on such projects and programs and the monitoring and reporting mechanism. The above entities shall register with the Central Government by filing the form CSR-1 electronically with the Registrar, with effect from the 1st April 2021.
- The Company may also collaborate with other companies for undertaking projects or programs in such manner that the CSR committees of respective companies are in a position to report separately on such projects or programs in accordance with the prescribed Rules.
- The company may engage international organizations for designing, monitoring, and evaluation of the CSR projects or programs as per its CSR policy as well as for the capacity building of their personnel for CSR.
- The Company may build CSR capacities of its own personnel as well as those of the implementing agencies through institutions with established track records of at least 3 (Three) financial years, subject to the Rules.
- It is hereby clarified that any contribution to the corpus of a trust I society I company established under section 8 of the Act would qualify as CSR expenditure as long as: (a) such trust I society I company established under section 8 of the Act is created exclusively for undertaking CSR activities; or (b) where the corpus is created exclusively for a purpose directly relatable to a subject covered in Schedule VII of the Act.

### **8.2 TREATMENT OF SURPLUS**

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. A special bank account, called an Unspent CSR Account to be opened by the company in any scheduled bank. Monitoring and Assessment

## **9. RELEASE OF FUNDS**

The amounts sanctioned for a CSR project / programme will be released in one-shot or in tranches / installments depending on the progress of such project I programme, as may be determined by the CSR Committee on submission of proposal by the CSR team.

#### **9.1 REVIEW BY BOARD**

- The Board will periodically but in any event at least once in a financial year, review the implementation of the CSR activity.

#### **9.2 EXTERNAL AGENCY ASSESSMENT**

- The Company may engage the services of external expert agencies, consultancy firms etc. for carrying out any survey, assessment or report with regards to any CSR activity undertaken by the Company.

### **10. ACQUISITION OF CAPITAL ASSET**

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

- A company established under Section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number.
- Beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- A public Authority

### **11. PENALTY FOR NON-COMPLIANCE**

- The company shall be liable to a penalty of twice the amount required to be transferred by the company to the Fund specified in Schedule VII or the Unspent Corporate Social Responsibility Account, as the case may be, or one crore rupees, whichever is less.
- Every officer of the company who is in default shall be liable to a penalty of one-tenth of the amount required to be transferred by the company to such Fund specified in Schedule VII, or the Unspent Corporate Social Responsibility Account or two lakh rupees, whichever is less.

### **12. CSR REPORTING**

The Board's Report of a company covered under these rules pertaining to financial year commencing on or after 1<sup>st</sup> day of April, 2014 shall include an annual report on CSR activities at the end of each financial year, giving a full account of the activities / programmes under taken during the year gone by in the prescribed format / annexure.

The Board of Directors of the company shall, after taking into account the recommendations of CSR Committee, approve the CSR Policy for the company and disclose contents in its report and the same shall be displayed on the company's website, if any, as per the particulars specified in the Annexure.

### **13. GENERAL**

- Words and expressions used but not defined in the Policy shall have the same meaning assigned to them in the Act and the Rules, as the case may be.
- This Policy is subject to review and revisions by the CSR Committee and the Board as and when deemed necessary.
- Notwithstanding anything contained in this Policy, the Company shall ensure compliance with any additional requirements as may be prescribed under any laws/regulations either existing or arising out of any amendment



to such laws/regulations or otherwise and applicable to the Company from time to time. This Policy shall stand amended in the event of any conflict / repugnancy between the provisions of the Policy and applicable laws and such applicable law shall prevail over the Policy, to the extent of conflict / repugnancy.

**14. DEVIATIONS / EXCEPTIONS**

- Any deviations from this policy require written approval from the Corporate Director / Managing Director.
- No religious or political organizations shall be supported under this program.
- Management reserves the right to modify or terminate this policy without prior notice.

**15. POLICY OWNER**

This policy is owned by Dilip Buildcon Limited, Bhopal.

**For Dilip Buildcon Limited**

**For DILIP BUILDCON LIMITED**  
Dilip Suryavanshi  
DIN: 00039944  
Managing Director

  
**Managing Director**