



DALMIA REFRACTORIES LIMITED

Regd. Office: Dalmiapuram – 621651, Dist: Tiruchirapalli, Tamil Nadu
[CIN: L24297TN1973PLC006372]

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. PREAMBLE

1.1 The vision of our company, Dalmia Refractories Limited ("**Company**") is 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 Dalmia 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 Companies (Corporate Social Responsibility Policy) Rules, 2014 ("**Rules**"), (as amended from time to time), the Company shall undertake its CSR activities, projects, programmes (either new or ongoing) in a manner compliant with the Act and the Rules ("**Projects**").

2. COMPANY'S 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 initiatives.

3. COMPANY'S 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.

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 the local communities and society at large.

5.2 The units of the Company and its subsidiaries are located in the various locations across India. Efforts will be made to focus on CSR activities in areas around the units of the Company and its subsidiaries. However, CSR activities may also be undertaken in areas other than those specified above based on merits. In the aforesaid backdrop, the Policy is broadly framed to focus on undertaking the following:

- (i) socio-economic development of the society at large through social welfare measures or other charitable activities to ensure that the poor/weaker sections of the society derive the maximum benefits;
- (ii) eradicating hunger and malnutrition and promoting health care;
- (iii) promoting education including employment enhancing training and vocational skills especially to the socially and economically backward classes with the aim to create employability; and
- (iv) protection of the environment and maintaining an ecological balance.

6. APPLICABILITY OF THE POLICY

This Policy shall be applicable to all Projects undertaken by the Company in India 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). For the purposes of this Policy, "Projects" shall include all Projects undertaken by the Company in pursuance of its vision, mission and objectives as stated herein above.

The terms/words used but not defined in this Policy shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and/or Rules.

7. EXCLUSIONS

This Policy excludes:

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

- (iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
 - (iv) expenses incurred by the Company for the fulfilment of any act, statute, regulation or any other law;
 - (v) activities supported by the company on sponsorship basis for deriving marketing benefits for its products or services; and
 - (vi) Projects/programmes/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.
8. If the Company ceases to be covered under section 135(1) of the Act for 3 (three) consecutive financial years, then it shall not be required to (a) constitute a CSR Committee (defined below) and (b) comply with the provisions laid down under sections 135(2) to 135(5) of the Act, till such time it meets the criteria specified in section 135(1) of the Act.

9. 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. The report of the Board of Directors ("**Board**") of the Company ("**Board's Report**") shall disclose the composition of the CSR Committee, the contents of this Policy and such other particulars as required by the Act and the Rules.

10. ROLE OF THE CSR COMMITTEE

The CSR Committee shall be responsible for:

- (i) Formulating and recommending to the Board, an Annual Action Plan in pursuance of Company's CSR policy, which shall include the following, namely:
 - a. the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - b. the manner of execution of such projects or programmes;
 - c. the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - d. monitoring and reporting mechanism for the projects or programmes; and
 - e. details of need and impact assessment, if any, for the projects 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 this 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 Projects;
- (iv) Identification and specification of Projects to be undertaken along with identification of the implementing agency for such Projects (as may be relevant);
- (v) Instituting a transparent monitoring mechanism for implementation of the Projects undertaken by the Company and proper utilization of funds;
- (vii) Monitoring the CSR Policy of the Company from time to time;
- (viii) Periodically review the progress being made in the planned Projects;
- (ix) Providing a responsibility statement in the Board's Report as to whether the implementation of the Projects and programmes is in compliance with and fulfils the objectives of this Policy; and
- (x) Any other activities / functions, as may be assigned by the Board.

11. PROJECTS

In light of the Company's vision and objectives as set out above, the Company will undertake Projects covering the following areas/activities:

- (i) 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) Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement project;
- (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 environmentally 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) 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) 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) Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports
- (viii) 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) 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.

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;

- (xiii) Setting up makeshift hospital and temporary Covid Care Facilities; and
- (xiv) Such other activities as may be prescribed under the Act and Rules from time to time.

Identification of Projects will be based on (i) requirements identified from a baseline survey; (ii) activities/programmes to be undertaken; (iii) budgetary requirements; (iv) time-lines; (v) responsibilities and authorities defined; and (vi) results expected.

12. IMPLEMENTATION

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

- (i) the Company may take up the Projects on its own;
- (ii) the Company may collaborate with other companies including its holding, subsidiary and associate companies for undertaking Projects in a manner such that the CSR Committee of the Company as well as the committees of such other companies are in a position to report separately on such Projects;
- (iii) the CSR Committee may decide to undertake Projects approved by the CSR Committee, 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 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 three years in undertaking similar activities.

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 Projects. 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.

13. CSR EXPENDITURE, ALLOCATION AND DISBURSEMENT OF FUNDS

- 14.1 The CSR Committee shall recommend the Annual Action Plan and the amount of expenditure to be incurred for implementation of the same pursuant to this Policy, for the consideration and approval of the Board.
- 14.2 The Board shall strive to spend, in every financial year, a minimum of 2% (two percent) of the average net profits made during the 3 (three) immediately preceding financial years in compliance with the provisions of the Companies Act, 2013 as amended from time to time and in pursuance of this Policy. For this purpose, “net profit” and “average net profit” shall be calculated in accordance with the Act and the Rules. The overall CSR expenditure shall be approved by the Board based on the recommendations of the CSR Committee.
- 14.3 The Board shall ensure that:
- a) The administrative overheads shall not exceed 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 the 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.
 - c) Where the 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.
 - II. the Board of the Company shall pass a resolution to that effect.
- 14.4 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 said CSR project, in the form of self-help groups, collectives, entities; or
 - iii. a public authority:
- 14.5 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 Projects, 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.

- 14.6 If any amount remains unspent, pursuant to any Ongoing Project, shall be transferred by the Company within a period of 30 (thirty days) from the end of the financial year to a special account to be opened by the Company 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 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 thirty days from the date of completion of the third financial year.

15 MONITORING

- 15.1 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 shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period
- 15.2 The Group Head - CSR shall submit periodical reports on the on-going Projects, the progress made thereunder and the amount of expenditure incurred on the said Projects to the CSR Committee.
- 15.3 The CSR Committee shall monitor the Projects to ensure that they are being carried out in compliance with this Policy and the Act and in accordance with the approved budget, implementation schedules and processes.

16 REPORTING

The CSR Committee shall prepare an annual report on CSR, in the format prescribed under the Act and the Rules, and such report shall be included in the Board's Report made under clause (o) of sub-section (3) of section 134 of the Act. The report shall be signed by the Chairman of the CSR Committee and the Managing Director/CEO/Director of the Company.

17 IMPACT ASSESSMENT

- 17.1 If Company's average CSR obligation is of 10 (Ten Crore) rupees or more, in the three immediately preceding financial years, the Company shall undertake impact assessment, through an independent agency, of its CSR projects having outlays of 1 (One Crore) rupees or more, and which have been completed not less than one year before undertaking the impact study.

- 17.2 The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.
- 17.3 Expenditure incurred on impact assessment may be booked in the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed five percent of the total CSR expenditure for that financial year or 50 (Fifty Lakh) rupees, whichever is less

18 WEBSITE

This CSR Policy, the constitution of the CSR Committee and the Projects approved by the Board shall be disclosed on the website of the Company, i.e., www.dalmiarefractories.com.

19 GENERAL

The Board reserves the right to modify or amend this Policy from time to time based on changing needs and aspirations of the target beneficiaries, or as deemed necessary by the Board, on the recommendations of the CSR Committee.

The decision of the Board on all matters, relating to this Policy, shall be final and binding upon all concerned. This Policy is subject to continuous review and updates as may be required from time to time.

***Note:** This policy was adopted by the Board of Directors of the Company at its meeting held on August 13, 2019 and amended/ modified by the Board on May 31, 2021 upon the recommendations of the CSR Committee.*