

Corporate Social Responsibility (CSR) Policy

1. Background

For over three decades as a socially responsible Company, Deepak Fertilisers And Petrochemicals Corporation Limited (DFPCL), has engaged in community work through Ishanya Foundation at Taloja and Pune in Maharashtra and Deepak Foundation in Vadodara in Gujarat.

The Ishanya Foundation has been conducting several outreach programmes, in and around Pune and also in villages around Taloja in Panvel Taluka in Raigad District.

These programmes are in the areas of:

- a) Women empowerment through vocational training(skill development) and livelihood programmes
- b) Health and
- c) Education

The underlying objectives are aimed at making people self-reliant through economic and social empowerment, providing employable skills and social entrepreneurship opportunities to youth, women and marginal farmers to ensure livelihood for economic betterment and social development of themselves and their families instilling pride and confidence (in the target population) to take on future challenges.

Health initiatives, farmer support programs, culture and heritage support programs have also formed DFPCL's ancillary focus areas.

Improving the quality and infrastructure in the educational institutions has also been the Company's priorities.

2. Purpose of the CSR Policy:

The purpose of this policy is to –

- a) To articulate a clear and long- term focus for DFPCL's CSR initiatives.
- b) To help setup high standards of quality in the delivery of services in the social sector by creating robust processes and replicable models.
- c) To encourage a sense of empathy and equity amongst the employees as well as their families to motivate them to serve the society.
- d) To allow network with like-minded NGOs/firms/people who can enhance/complement our efforts.

3. Preamble

The Policy outlines the vision of DFPCL as a corporate citizen and lays down the guidelines and mechanism for undertaking activities for the welfare & sustainable growth of the community at large.

At the outset it is being re-affirmed that the CSR activities are not a substitute for DFPCL's continuing commitment to ethical principles, fair HR policies and care for the environment in its conduct of business in all its facets.

CSR is a focused initiative extending DFPCL's values to bring about sustainable upliftment and growth of the society principally in and around DFPCL's area of activities.

This Policy shall apply to all CSR initiatives and activities taken up at the various centers and locations of the Company for the benefit of the underprivileged/marginalised sections of the society especially children, youth, women and small farmers.

4. CSR "Vision"

To act as an effective catalyst in DFPCL's geographies of operations in creating a self-reliant and respectable society with secure and sustained means to livelihood, through employable skills and resource support and additionally to promote and support the rich cultural heritage of India.

5. CSR "Mission"

The mission for the identified society at large, in geographies of DFPCL's operations and influence, shall be:

1. To identify the potential of and gaps in the economic and social support systems, so as to help develop a sustained, self-reliant society with special emphasis on the youth, women & marginal farmers;

2. To undertake vocational skills and soft skill development initiatives enabling sustained and respectable employment opportunities for leading a self reliant life;
3. To facilitate income generation programs of individuals/groups through alignment of skill development with self-employment opportunities;
4. To provide marketing and financial support to help enhance sustained income generation initiatives;
5. To generate community development activities and promote self-help groups so as to improve the living conditions of people through peoples' initiatives;
6. To initiate activities and develop government/institutional linkages in community preventive/corrective health facilities where needed;
7. To undertake farmer skill building, soil/nutrient/agri-inputs/produce enhancement initiatives;
8. To support performing arts among local communities for promotion of talent & cultural richness of the society;
9. To provide a much needed crisis support for unexpected calamities and disasters;
10. To co-ordinate/conduct any other CSR initiatives which are consistent with the provisions of Section 135 of the Companies Act, 2013 or other provisions as may be prescribed by the government from time to time.

6. Scope of CSR in DFPCL

DFPCL will implement its CSR activities within the broad framework of Section 135 of the Companies Act, 2013 and the related Rules notified from time to time.

Beyond the stated provisions of the Act, DFPCL's CSR activities will extend in true spirit where needed, to contribute to the sustained upliftment of the society.

7. *What is not CSR*

CSR activities will not, however, include the following:

- Activities undertaken in pursuance of normal course of business.
- Activities which benefit only employees of DFPCL and their families.
- Contribution directly or indirectly to any political party.
- Activities undertaken outside the country
- Any other activity that may be prohibited by the government

8. *Modalities of Execution of Projects / Programmes:*

a) CSR Committee

CSR Committee shall consist of three or more directors of which, at least one will be an independent director. While DFPCL's Indian subsidiaries and joint venture may also have CSR activities, wherever DFPCL is in majority, DFPCL's Board Committee will be the nodal review body for all CSR endeavours to ensure focus and uniform robust processes.

b) CSR Vehicle

- i. CSR activities will be undertaken either by DFPCL independently or through a Trust / Non-Profit making Association or Company.
- ii. If any donation is to be given to any other entity for CSR activity, the Company will specify the project or programme to be undertaken through that entity, the modalities of utilization of funds on such a project, program and ensure an appropriate monitoring and reporting mechanism.

- iii. DFPCL may also collaborate with other Companies for undertaking projects or programs in such manner that the CSR Committees of the respective Companies are in a position to report separately on such projects or programs in accordance with the prescribed CSR Rules.
- iv. DFPCL may build CSR capacities of its own personnel as well as those of the implementing agencies through institutions with established track records and subject to the prescribed CSR Rules.

9. CSR Budget

Keeping in view the guidelines provided by the Act, the CSR Committee of DFPCL will recommend the annual budgeted expenditure project/ program wise to the Board for its consideration and approval. The surplus arising out of the CSR projects or programs or activities shall not form part of the profits of a Company, but will be ploughed back into the on-going CSR activities. CSR Committee will have the right to approve the carry forward of the unspent allocated amount to subsequent year(s) as and when necessary.

10. Monitoring and Assessment

a. Release of funds for CSR Project/ Programs

The amount sanctioned for CSR Projects/ Programs will be released in stages or installments as per progress, as may be determined by the Committee. The Committee will review the continuance of supporting various initiatives, annually while keeping in view the long-term commitment to the objectives.

b. Review by Board/CSR Committee:

The CSR Committee will review the implementation of CSR activities, on all locations, on a quarterly basis. The Board of Directors will review the CSR activities annually.

c. Utilisation Certificate:

Funds released to the implementing agency would be based on submission of a Utilization Certificate, and a satisfactory performance report submitted by it, on the approved guidelines, duly certified by an authorized officer of DFPCL.

d. External Agency Assessment:

The impact assessment/evaluation of major projects may be carried out by an external agency to critically assess the success of project / program, as may be decided by the CSR Committee.

e. Audit:

The amount spent on CSR by DFPCL will be subject to Audit.

f. Reporting in the Annual Report of the Company

CSR policy and initiatives of the Company will be reported in the Annual Report of DFPCL in the manner prescribed under the CSR Rules. All the CSR projects would be documented and hosted on the Company's website also.

11. General

The CSR Policy referred to above is to be read in conjunction with the Companies Act, 2013 and Companies (CSR Policy) Rules, 2014 and amendments thereof.

This policy may be amended or modified by the CSR Committee of the Company with the approval of the Board. Any amendment or modification would be communicated to all the persons to whom this policy is applicable.

The above policy guidelines are subject to review and revision at suitable intervals.

**For Deepak Fertilisers
And Petrochemicals Corporation Limited**

Sd/-

**Sailesh C. Mehta
Chairman and Managing Director**