



CORPORATE SOCIAL RESPONSIBILITY POLICY

DANISH POWER LIMITED

*(formerly known as Danish Power Private Limited &
initially known as Danish Power Limited)*

CIN: U31200RJ1985PLC003346

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CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

This policy encompasses philosophy of Danish Power Limited (DPL) towards corporate social responsibility and lays down the guidelines and mechanism for undertaking socially relevant programs for sustainable development of the community at large and also to comply with all the local regulations in that regard, is titled as the 'CSR Policy for Danish Power Limited'.

POLICY OBJECTIVES

DPL has embarked upon the process of institutionalizing its commitment at being socially responsible with an aim of sustainable development of the society. The purpose of this policy is to define the company's vision, guiding principles, governance structures, strategy and programs for its corporate social responsibility efforts.

SCOPE

The provisions related to CSR are incorporated under Section 135 of Companies Act, 2013 (the Act) read with Schedule VII to the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the Rules) and amendments thereunder time to time along with General Circular No. 21/2014 w.r.t. Clarification with regard to provisions of Corporate Social Responsibility under section 135 of the Companies Act, 2013.

This Policy has been formulated under the above provisions of the Act and shall be applicable to all CSR initiatives and activities undertaken by the Company, for the benefit of different segments of society.

CSR VISION

To commit for enhanced value-creation for the society, stakeholders and the communities we live in, by taking up activities and initiatives for sustainable growth for the society, the safety and well-being of workers being deeply committed to socio economic development in its areas of operation.

GUIDING PRINCIPLES

1. Sustainable and holistic community development;
2. Creation of the Company's positive social image;
3. Compliance with local regulations

GOVERNANCE STRUCTURE

The company has put in place the following governance structure to ensure that CSR policy is implemented and monitored effectively. The roles and responsibilities are defined at each governance level.

DEFINITIONS:

In this Policy, unless the context requires otherwise,

- a. 'Act' means Companies Act, 2013 and the Rules made thereunder, as amended from time to time,
- b. 'Company' means Danish Power Limited,
- c. 'Corporate Social Responsibility' (CSR) means Corporate Social Responsibility as prescribed under section 135 of the Act and Rules made thereunder and further amendments thereto,
- d. 'Net Profit' means net profit as defined under section 135 Act and the Rules made thereunder, as set out below:

Net Profit as per financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely:

- i. any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise; and
- ii. any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act.

Words and expressions used in this CSR Policy and not defined herein but defined under the Act shall have the meaning respectively assigned to them in the Act.

CSR COMMITTEE

Constitution of CSR Committee:

The CSR Committee shall consist of two or more Directors, as may be deemed fit by the Board. The Committee shall meet, whenever required, to discuss and review CSR activities and Policy. Quorum for the CSR Committee Meeting shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or two members, whichever is higher.

The Committee members may attend the meeting physically or via such audio-visual means as permitted under the Act. The Committee shall have the authority to invite such employee(s), senior official(s) and or externals experts, as it may deem fit, to attend the CSR Committee Meeting(s). The Company Secretary, if any, shall act as Secretary to the Committee.

Scope & Functions of CSR Committee:

The functions / terms of reference of CSR Committee shall, inter-alia, include the following:

- a. To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as per the Act;
- b. To recommend CSR activity / programme / project to the Board for its approval;
- c. To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Company;
- d. To monitor the CSR Policy of the Company from time to time;

- e. To review the CSR activities of the Company and provide progress update to the Board of Directors at such interval as may be deemed fit.
- f. Any other matter as the CSR 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.

CSR TASK FORCE

The CSR task force will comprise of a senior management personnel, heading it, along with a few selected employees, representing diverse responsibilities from the Company. CSR task force will be the first point of contact for the program implementation teams on the ground for advice and guidance. The task force will also support the CSR core committee in terms of implementation of the CSR interventions.

Following are the specific roles and responsibilities of the task force:

- Identify the projects in the areas as per the CSR Policy or as recommended by the CSR Core Committee.
- Ensure that the projects proposed are in line with Schedule VII of the Companies Act, 2013.
- Propose CSR programs to the CSR Core Committee for approval.
- Recommend programs, modality of operation and monitoring mechanism. • Ensure availability of adequate resources.
- The CSR task force will meet once in every quarter to discuss the progress of projects approved and implementation mode.
- Ensure that the CSR goals are achieved within the proposed timeframe and budget allocated, and will periodically report the progress of each project to the Board Committee.
- Support the CSR Core committee to ensure full compliance of the regulation.

The Company will also engage its employees; wherever and whenever possible, to achieve its CSR vision.

The Company will prefer to work with the most underprivileged section of the society and undertook a detailed engagement to understand the needs of the underprivileged from the Company's CSR interventions. Based on this, the company has decided to support the following CSR causes as part of its CSR policy:

1. Water and Sanitation
2. Education and Skill Development
3. Domains of health and environment.

Company may look for the need-based programs aligned to the activities listed in Schedule VII of the Companies Act 2013 (List of activities are attached as Annexure-I) and the rules framed therein or as modified from time to time.

CSR PROGRAMS

Program development: Every program must develop a proposal including information such as project description and duration, measurable objectives, information about the partner organization including proof of legal status, and amount of funding or other resources required.

Program approval: The program proposals must be submitted to the CSR Core Committee for their consideration and evaluation and thereafter to the Board of DPL for their approval. The programs will be implemented after receiving approval from the CSR Core Committee. However, in case the company needs to respond to an urgent need within their stakeholder community, the program may get implemented after obtaining the approval of the CSR task force and the same will be placed before the next CSR Core Committee for ratification.

Program implementation: The total costs for all projects will be within the CSR budget as per the mandate or as approved by Board of Directors.

Program criteria: All CSR interventions will have a project-based approach and wherever applicable, will comply with the items specified in Schedule VII of the Section 135 of the Companies Act, 2013 and the rules framed therein or as modified from time to time. Projects will be designed to fulfil strategic criteria according to relevant DPL global and regional policies and frameworks.

MODALITIES OF IMPLEMENTATION

The CSR programs will be implemented by CSR Task force committee to facilitate the implementation of its various CSR activities in accordance with its stated policy and objectives.

The CSR programs will be implemented by the grass root level implementation partners with an established track record with support from project management consultants and social enterprises, as may be required. It is being endeavoured to work with approved and recognised partners to ensure effective and efficient execution of the programs.

BUDGET

Danish shall endeavour to spend, in every financial year, at least 2% of the average net profit or such amount as may be determined from time to time made during the three immediately preceding financial years on its CSR projects.

Net profit shall mean profit before tax as per books of accounts. DPL proposes not to include the effect of exceptions items while determination of Net Profits to ensure consistency and stability in the CSR spend and budget determination.

MONITORING MECHANISM

CSR core committee shall meet twice in a year or as and when the need arises to review and guide the CSR activities of the company.

The CSR task force / working committee shall meet once in a quarter or as and when the need arises to monitor the progress of CSR programs, CSR spending and review if any changes are required. During the half yearly meeting, the task force will also review the CSR policy to discuss if any changes are required in it.

At each of the program locations, the CSR programs will be implemented and monitored by the members of the CSR task force. The program managers will maintain their own monitoring schedule, as appropriate, to collect the required inputs from organizations, implementation partners and beneficiaries to ensure effective implementation.

The company may undertake an assessment, as and when needed, in order to evaluate the social impact of its CSR programs on the communities. This will also help the company to obtain learnings which will help increase program efficiency and scalability.

REPORTING & COMMUNICATIONS

Danish will incorporate the details of CSR activities, including physical and financial process in the annual report of the company. The CSR activities will also be reflected in the annual accounts of Danish under the head 'Expenditure under CSR Activities' and will be mentioned in the Director's report. CSR task force / working committee will be sending the reports to the CSR Core Committee who will present the same during Board level CSR Committee's meetings.

The company will be communicating its CSR efforts to all its employees and external stakeholders through its own website and other appropriate dissemination channels.

The CSR policy of Danish will also be uploaded on the website of the company.

EXCLUSION

The company will not contribute any amount directly or indirectly to any political party or religious organization as part of its CSR activities.

EXCEPTIONS & DEVIATIONS

All exception and deviation to this policy shall be approved by CSR Committee.

EFFECTIVE DATE

This Policy is effective from the date of approval of the same by the Board of Directors of the Company.

POLICY REVIEW

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy.

DISCLOSURES

The Company shall disclose the Policy on its website.

Note:

- 1) Revision and re-constitution approved in the Board Meeting held on July 22, 2024.

Annexure-I

Activities to be included in Corporate Social Responsibility (CSR) Policies as per the Schedule-VII of Companies Act, 2013

- i) Eradicating hunger, poverty and malnutrition promoting healthcare including preventive health care and sanitation including contribution to the 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 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, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund setup by the Central Government 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 arts and handicrafts;
- vi) Measures for the benefit of armed forces veterans, war widows and their dependents;
- 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 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; rural development projects;
- x) Slum area development.

As per the explanation 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.