



DEMBLA VALVES LIMITED

[CIN: U29121MH1989PLC051650]

**CORPORATE SOCIAL RESPONSIBILITY
(CSR) POLICY**



At the outset, Corporate Social Responsibility (CSR) activities at Dembla Valves Limited (“DVL” or “the Company”) is already in existence for the benefit of the employees and their immediate family members in the areas of extending loan to employees, participation at festivals etc.

It is recognized that integrating social, environmental and ethical responsibilities into the governance of business ensures the long term success, competitiveness and sustainability.

Further, CSR benefits the business, as companies with effective CSR, have image of socially responsible companies, achieve sustainable growth in their operations in the long run and their products and services are preferred by the customers.

GOVERNING ACT

This policy is framed as per the requirements of Section 135 of the Companies Act, 2013 read with Schedule VII and the Companies (Corporate Social Responsibility Policy) Rules, 2014. (“the Act”)

OBJECTIVE

DVL, through the CSR Activities, will endeavor to enhance value creation in the society and in the community, through its services, conduct and initiatives, so as to promote sustained growth for the society and community, in fulfillment of its role as a socially responsible corporate.

MEASURES

In support of the aforesaid, policy on CSR of DVL is broadly framed taking into account the following measures:

The Board of the Company may decide to undertake its CSR activities as recommended by the CSR Committee.

The following is the list of CSR projects or programs which DVL wishes to include in the scope of its expenditure towards CSR activities pursuant to Schedule VII of the Companies Act, 2013:

- Eradicating hunger, poverty and malnutrition, promoting preventive health care and 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;
- 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;
- 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 Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- Contributions or funds provided to technology incubators located within academic institutions which are approved by the Central Government
- Rural development projects;
- Any other measures with the approval of Board of Directors on the recommendation of CSR Committee subject to the provisions of Section 135 of Companies Act, 2013 and rules made there-under.

CSR COMMITTEE

The CSR Committee has been constituted by the Board of Directors of the Company (the Board) in accordance with the provisions of the Act comprising of the 5 (five) Directors. Composition of which can be altered on approval by the Board from time to time. The Company Secretary shall be the secretary to the Committee. The CSR Committee may invite other experts/ invitees as per its requirements.

The CSR Committee shall –

- Formulate and recommend to the Board, a CSR policy and activities to be undertaken by the company as per Schedule VII;
- Recommend the amount of expenditure to be incurred on the activities; and
- Monitor the Policy of the company from time to time.

The Board of the company shall after taking into account the recommendations made by the CSR Committee, approve the policy for the company and disclose contents of such Policy in its report and also place it on the company's website and ensure that the activities as are included in the CSR Policy of the company are undertaken by the company.

MONITORING MECHANISM

- To ensure effective implementation of the CSR projects, programmes and activities undertaken in terms of this CSR Policy, the progress of each such project, programme and activity will be reported to the CSR Committee on a quarterly basis, with all requisite documentation.
- A quarterly report on implementation shall be submitted to the Board by the CSR Committee.
- The CSR Committee, if considered necessary will conduct impact studies on a periodic basis, through independent professional third parties/professional institutions.
- The CSR Committee shall also try to obtain feedback from the beneficiaries of the CSR projects, programmes and activities. If considered necessary, the effectiveness of the various programs/ activities undertaken under the CSR Policy may be subject to evaluation through external agencies for providing the required feedback and inputs to formulate and improve the programs in future.

BUDGET

A specific budget is allocated for CSR activities and spending on CSR activities shall not be less than 2% of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of this policy.

In case Company fails to spend such amount, the Board shall specify the reasons for not spending the amount.

The CSR Policy mandates that the surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company.

CSR expenditure shall include all expenditure including contribution to corpus, for projects or programs relating to CSR activities approved by the Board on the recommendation of the CSR Committee, but does not include any expenditure on any item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act 2013.

Tax treatment of CSR spent will be in accordance with the Income Tax Act as may be notified by CBDT from time to time.

INFORMATION DISSEMINATION

The information related to the Company's engagement in this domain is disseminated on its website, annual reports, souvenirs and its in-house journals as and when deem fit.

AMENDMENT

CSR Committee of the Board of Dembla Valves Limited will review the policy from time to time based on the changing needs and aspirations of the target beneficiaries and make suitable modifications as may be necessary.



DEMBLA VALVES LIMITED

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