

METRO TYRES LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

Establishment Date: 11.09.2014

Effective Date: 11.09.2014

Approval Authority: Board of Directors

Updated and approved : 18.02.2021

Preamble

Metro Tyres Limited, ("the Company") contribution to the community are in areas of health, education, and miscellaneous activities such as contribution to other social development organisations etc.

In India, the Companies Act, 2013 mandates Corporate Social Responsibility (CSR) activities to be undertaken by companies meeting the criteria specified in the Act.

Regulatory Reference

A) Section 135 of the Companies Act, 2013 ("the Act");

B) Companies (Corporate Social Responsibility Policy) Rules, 2014 including any statutory modification(s) or re-enactment thereof for the time being in force ("the Rules").

C) Schedule VII to the Act

Policy

a) This policy shall be known as Corporate Social Responsibility Policy of the Company which is referred in this Policy as "the Policy" or "CSR Policy".

CSR Committee

As per requirement of Section 135 of Companies Act, 2013 and rules related thereto, as amended from time to time, presently the annual CSR expenditure of the Company is less than Rs. 50 Lakh, it does not require to have "Corporate Social Responsibility Committee" (Committee) hence the existing Committee stands dissolved w.e.f 01.04.2021. Such Committee shall be reconstituted in case the annual CSR expenditure increases to the minimum threshold requirement. However, the Board has the liberty to re-constitute the Committee in case the Board feels it necessary for the smooth operations related to the CRS activities, expenditure and such other related requirements.

Approach and Strategy

To engage in such projects or programs relating to activities specified in Schedule VII to the Companies Act, 2013. Presently the Company is associated with many trusts, societies, Non Profit Organisation / Non Government Organisations, which are engaged in the actives similar to the activities and projects specified as Corporate Social Responsibility in Schedule VII to the Companies Act, 2013.

Save as provided hereinabove, the Company is primarily connected with following registered trust who is engaged in promoting health care, education and such other related activities.

Yog Dhyan Foundation, registered under Indian Trust Act 1882

The major functions of the above trust are as follows:

Yog Dhyan Foundation (YDF): one of the basic functions of the Trust is promoting health care, education and other activities. The Trust provide healthcare to how to manage type 1 Diabetes (Juvenile Diabetes) of the children especially from the poor strata of society. The Trust is imparting free Therapeutic yogic exercises to those children for managing the disease and to lead a long and healthy life.

YDF's Vision

The vision led to the creation of an organization which could help facilitate the provision of quality life for all through making available decent health services. Apart from the varied social and community wide initiatives YDF is engaged in, its primary mandate focuses on a special category of children.

YDF's Mission

YDF works towards providing health facilities and undertake alternative therapeutic measures to combat the ill effects of type 1 diabetes among children especially belonging to the poverty ridden sections of the society. It builds capacities of families having children with type 1 diabetes and attempt to create an enabling environment for children to help vulnerable sections in the society realize their optimum potential leading to improvement in their quality of life.

YDF in today's date envisages for holistic human development.

Implementation

Periodical reports shall be tabled before the Board of Directors. The CSR projects are identified and approved by the Board of Directors.

Scope of CSR Activities

(A) The CSR Activities shall include the following:

- i. To carry out charitable activities for the welfare of Juvenile Diabetics
- ii. To teach how to manage type 1 Diabetes (Juvenile Diabetes) of the children specially from the poor strata of society.
- iii. To impart free Therapeutic yogic exercises to those children for managing the disease and to lead a long and healthy life
- iv. To provide Glucometer, Insulin and Strips, niddles, lancets, sringes, pen niddles, per month to the needful children free of charge. Further, do frequent Blood tests of the Children, from time to time.

v. To help and learn to manage and fulfil the needs of children suffering from Type 1 Diabetes

vi. To provide all necessary assistance to manage healthy Blood Glucose level by distributing necessary Medication, Free nutritional diet, Free training of Therapeutically Yoga Exercise and Free Type 1 Diabetes Education coupled with need based financial support

vii. An amount of Rs. 1500/- per child per month is being spent in providing the aforesaid assistance /support. The Trust has been undertaking this project for over many years and the results are very encouraging. The Type 1 Diabetes children have improved their confidence level a lot once the deficiency has been removed and now they are able to lead almost normal life and are able to earn their lively hood properly.

viii. To engage in such projects or programs relating to activities specified in Schedule VII to the Companies Act, 2013

Metro Group is also partnering with organizations such as the Akshay Patra Foundation that initiated the mid-day meal programme for underprivileged children.

(B) The CSR Activities shall not include the following: -

- i. Activities undertaken in pursuance of normal course of business of the Company;
- ii. Activities that benefit only the employees of the company and their families;
- iii. Contribution to any political party;

Contribution for CSR Activities

- a. The Board of the Company shall ensure that the Company spends, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years, in pursuance of the Policy;
- b. The board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year
- c. 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
- d. Where a company spends an amount in excess of eligible CSR annual budget, such excess amount may be set off as per the applicable CSR Rules of the Act.
- e. The CSR amount may be spent by a company for creation or acquisition of a capital asset, as per the applicable CSR Rules of the Act.
- f. If the Company fails to spend such amount the Board shall, in its report specify the reasons for not spending the amount and, unless the unspent amount relates to any ongoing project, transfer such unspent amount to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year;
- g. The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company and shall be carried forward for spending in the next financial year.
- h. The contribution in CSR Activities shall only be made in India;

Explanation: if any contribution in CSR Activities is made outside India, the same shall not be considered in calculation of two percent limit as specified in clause (a) above;

- i. The Company shall give preference to the local area and areas around it where it operates for spending the amount earmarked CSR activities;

Governance

The Company provides the funds to undertake the identified CSR activities to YDF and such other eligible Non Profit Organisations & Non Government Organisations.

The Company undertakes due diligence over these Trusts.

Monitoring

The projects are commissioned and a quarterly monitoring and review system is established. The projects are evaluated and monitored on regular basis on outcome and impact metrics.

For charitable activities a system of regular monitoring and review is in place.

Reporting

The company reports its CSR performance along with its annual performance as a combined report.

CSR Budget and Utilization

A detailed report on the annual CSR action plan including budgeted expenditure for each project shall be tabled before the Board for its consideration and approval and such annual budgeted expenditure shall be utilized on approved projects in accordance with CSR policy. The Chief Financial Officer of the Company shall annually certify that the funds so disbursed have been utilised for the same purpose and in the same manner, as approved by the Board of Directors of the Company.

The surplus arising out of CSR projects and programs or activities, if any, shall not form part of the business profits of the company.

Amendments to the Policy

The Board of Directors may amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision /amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.

For Board of Directors of Metro Tyres Limited

Sd/-

Rummy Chhabra

Chairman cum Managing Director