



## **CORPORATE SOCIAL RESPONSIBILITY POLICY**

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## **Metalman Auto Limited**

Corporate Identity Number: U34103DL1986PLC305213

Regd. Off: JMK Tower, NH-8, First Floor, Mustatil No. 44, Killa No. 5, Village Kapashera, New Delhi 110 037, Delhi, India



## CORPORATE SOCIAL RESPONSIBILITY POLICY

### Preamble:

At Metalman Auto Limited (hereinafter referred as “MAL” or the “Company”), we believe that Corporate Social Responsibility (CSR) is an integral part of the way we have been doing our business. The Company’s CSR initiatives play pivotal role in improving the lives of the communities at large. The Company understands its responsibility towards the society in which it operates, and belief that CSR is not just a tool of investment of funds for social activities but is also an effort to integrate business processes with Social processes. This shall also enable us to fulfil our commitment to be a socially responsible corporate citizen. It is aligned to the National development agenda, UN Sustainable Development Goals and UN Global Compact principles.

The Board of directors of the Company in its meeting dated August 9, 2024 has adopted the revised Corporate Social Responsibility Policy (“Policy”) of the Company.

### Vision and Objective of CSR:

This CSR Policy has been framed in accordance with the applicable provisions of the Companies Act, 2013 (“Act”) and the rules issued thereunder. The CSR Policy sets out our commitment to ensuring that our activities extend beyond business and include initiatives and endeavours for the benefit and development of the community and society. The CSR Policy lays down the guidelines for undertaking programmes geared towards social welfare activities or initiatives. Through this Policy, the Company proposes to adopt short, medium and long term CSR programs and initiatives.

### Mission of CSR Policy:

CSR Mission of the Company is to work with communities in the vicinity of its operations or as specially identified initiatives, to gain their acceptance of co-existence under the following four (4) main thrust areas, among others as per Scheduled VII of the Companies Act, 2013:

- (i) Health care and sanitation;
- (ii) Education including special education and employment enhancing vocational skills;
- (iii) Environmental sustainability;
- (iv) Promoting gender equality, Women empowerment and Community Development.

### Definitions:

1. “**Act**” means the Companies Act, 2013.
2. “**Board**” means the Board of Directors of the Company.
3. “**Company**” means Metalman Auto Limited.
4. “**CSR Activities**” means such programs and projects as may be approved by the Board in terms of this CSR Policy.



5. “CSR Committee” means a committee constituted by the Board of Directors in terms of Section 135 of the Act and the CSR Rules.
6. “CSR Rules” means the Companies (Corporate Social Responsibility Policy) Rules, 2014.
7. “CSR Expenditure” means the amount recommended by the CSR Committee to be incurred on the CSR Activities in India in terms of the Act and the CSR Rules as approved by the Board from time to time.
8. “Director” means a member of the Board of the Company.
9. “Implementing Agency” means an implementing agency as defined under paragraph IV (3).
10. “Implementation Group” means an implementation group as defined under paragraph IV (2).
11. “Net Profits” means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include (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.
12. “Society” means a society registered under the Societies Registration Act, 1860 or any other applicable law in India.
13. “Trust” means a trust registered under the Indian Trusts Act, 1882 or any other applicable law in India.

Words and expression used but not defined in this Policy but defined in the Act and the Rules shall have the same meaning respectively assigned to them in the Act and the Rules.

### **Applicability:**

The Act states that:

- (a) every company having net worth of rupees five hundred crore or more, or
- (b) turnover of rupees one thousand crore or more, or
- (c) a net profit of rupees five crore or more during the immediately preceding financial year

shall constitute a Corporate Social Responsibility Committee of the Board consisting of three or more Directors, out of which at least one director shall be an independent director.

### **Constitution of Corporate Social Responsibility Committee:**

Pursuant to the Act, the Board of Directors of the Company will constitute/re-constitute Corporate Social Responsibility Committee from time to time (hereinafter referred to as the ‘CSR Committee’).

The CSR Committee shall be responsible for providing recommendations to the Board with respect to CSR Activities that may be undertaken by the Company in accordance with the CSR Policy as well as the Act and the CSR Rules.

The CSR Committee shall hold meetings which shall be attended by minimum of two members of the Committee. The meetings shall be held at the registered office or at any other place as may be agreed by the members of the Committee.



All questions of interpretation or discrepancies which shall arise under, or as a result of, or pursuant to, or in connection with the implementation of the CSR Policy or any initiative or activities undertaken by the Company in terms of the CSR Policy, shall be referred to the CSR Committee for their inputs and the final decision/determination/ interpretation shall rest with the Board.

No member of the CSR Committee shall be personally liable for any decision or action taken in good faith with respect to the CSR Policy.

**Scope and terms of reference of the CSR Committee:**

The Corporate Social Responsibility Committee shall be authorized to perform the following functions:

- (a) To formulate and recommend to the Board, a corporate social responsibility policy stipulating, amongst others, the guiding principles for selection, implementation and monitoring the activities as well as formulation of the annual action plan, which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act and the rules made thereunder, each as amended, and make any revisions therein as and when decided by the Board;
- (b) To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- (c) To recommend the amount of expenditure to be incurred for the corporate social responsibility activities, being at least two-percent of the average net profits of the Company made during the three immediately preceding financial years in pursuance of its corporate social responsibility and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
- (d) To formulate and recommend to the Board, an annual action plan in pursuance to the corporate social responsibility policy, which shall include the following, namely:
  - (i) the list of corporate social responsibility projects or programmes that are approved to be undertaken in areas or subjects specified in the Schedule VII of the Companies Act, 2013;
  - (ii) the manner of execution of such projects or programmes as specified in Rule 4(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014;
  - (iii) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
  - (iv) monitoring and reporting mechanism for the implementation of the projects or programmes; and



- (v) details of need and impact assessment, if any, for the projects undertaken by the company.

Provided that the Board may alter such plan at any time during the financial year, as per the recommendations of the Corporate Social Responsibility Committee, based on the reasonable justification to that effect.

- (e) Identifying and appointing the corporate social responsibility team of the Company and delegate responsibilities to such team and supervise proper execution of all delegated responsibilities;
- (f) To review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
- (g) To take note of the compliances made by implementing agency (if any) appointed for the corporate social responsibility of the Company;
- (h) To perform such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company and exercise such other powers as may be conferred or perform such responsibilities as may be required by the corporate social responsibility committee in terms of the provisions of Section 135 of the Companies Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014, to the extent applicable; and
- (i) Such terms of reference as may be prescribed under Section 135 of the Companies Act

### **Implementation of the CSR Policy**

The Board shall be responsible for implementing the mandate of the CSR Policy and shall ensure that the CSR Activities are carried out in accordance with the CSR Policy read with the Act and CSR Rules. All Corporate Social Responsibility activities of Company shall be undertaken by the Company either directly or through any other Implementation Agency.

### **Mode of Implementation:**

The CSR Activities may be undertaken by the Company through:

- (i) Through a Trust, or a Society or a company established by the Company or its holding or subsidiary or associate company under Section 8 of the Act or otherwise; and/ or
- (ii) Through a Trust, or a Society or a company established under section 8 of the Act with a established track record of three years in undertaking similar programs or projects; and/ or



- (iii) In collaboration with other companies or NGOs; and/ or
- (iv) In collaboration with any Industry Body coordinating such activities; and/ or
- (v) Direct contribution / implementation of any project approved by CSR committee or Board; and/ or
- (vi) Contribution to PM Relief Fund or any other fund as may be notified by Govt.

(the entities referred to under sub-clause (i) to (ii) above, are hereinafter referred to as “Implementing Agencies”).

3. In case of failure to ensure the minimum CSR Expenditure, details reasons for the same should be submitted by the Implementation Group to the Board, who shall include the same in their report.

4. A comprehensive monitoring framework shall be devised by the Company to ensure that all Projects / Programs/activities are duly implemented as per the CSR Policy. The Company’s CSR Committee shall monitor the approved Projects / Programs/activities. The monitoring and reporting mechanism will include program review, evaluation, documentation and reporting.

Mandatory impact assessment will be undertaken as per the criteria specified under applicable law, and that the impact assessment reports will be placed before the Board and disclosed as per the Act and CSR Rules.

#### **Corporate Social Responsibility Projects, Programs and Activities:**

The Company will undertake its Corporate Social Responsibility projects/programs/activities as per the Policy of the Company and shall be approved by way of Annual Action Plan by the Board on the recommendation of the CSR Committee.

The Board of the Company, shall ensure that the Company spends, in every financial year, at least two percent of the average net profits of the company made during the three immediately preceding financial years.

In accordance with the primary CSR philosophy of the Company and the specified projects/programmes/activities, the Company shall spend CSR expenditure as per the following four (4) main thrust areas, among others as per Scheduled VII of the Companies Act, 2013 and the Rules made thereunder:

##### **(i) Health care and sanitation:**

MAL believes in quality of life and fostering sustainable development in communities. At MAL, we recognize that the well-being of individuals extends beyond the workplace and into the broader community. Our commitment to health care and sanitation is centered to promote not only comprehensive health care services but also preventive measures that contribute to the overall health of the communities at large. By supporting health infrastructure, offering



wellness programs, and supporting sanitation standards, the Company aims to foster a healthier society, thereby enhancing the quality of life across the communities we impact.

(ii) **Education including special education and employment enhancing vocational skills:**

We believe that education is a powerful tool for social development and empowerment. **Employment enhancing vocational skills** bridge the gap between education and employment, equipping individuals with practical skills and training that are directly relevant to the job market. This includes partnerships with educational institutions for skill development workshops, internships, and apprenticeship programs.

MAL is committed to advancing educational opportunities and vocational training as a means to drive societal progress. Our support extends to initiatives that improve access to education, including special education programs and vocational training that enhance employment prospects.

(iii) **Environmental sustainability:**

Environmental sustainability is integral part to our vision of a thriving society. MAL is devoted to implementing practices that protect and enhance the natural environment, recognizing that a healthy environment is essential for the well-being of current and future generations. Our sustainability initiatives focus on reducing our ecological footprint, conserving resources, and promoting environmental stewardship within the community. Supporting reforestation and afforestation projects helps restore ecosystems, combat deforestation, and enhance biodiversity. Our commitment to sustainability supports the broader goal of creating a resilient and vibrant society where both people and nature can flourish together.

(iv) **Promoting gender equality, Women empowerment and Community Development:**

MAL believes in inclusive and equitable societies. MAL can implement programs that provide education and skill development opportunities for women and girls, ensuring they have the knowledge and abilities to pursue their career goals. CSR activities can also support women's entrepreneurship by offering funding, resources, and training for female-led businesses. By supporting these initiatives, MAL not only empower women but also drive social change, contributing to economic growth and the creation of a more just and balanced society.

The company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities.

### **CSR Budget**

The CSR Budget will be allocated as per the provisions of the Act i.e. at least two per cent of the average net profit calculated as per Section 198 of the Act read with the Rules thereof ('average net profit') accrued during the three immediately preceding Financial Years. The Board of the Company will endeavor to spend in each Financial Year, at least two per cent of the average net profit on Corporate Social Responsibility Projects / Programs/activities. Corporate Social Responsibility Projects / Programs /activities will be identified and budgets will be allocated through a process incorporating identification of suitable implementing agencies, need assessment (where required) and clear outlining of desired outcomes. In the event that the amount indicated above is not spent in its



entirety in that Financial Year, the reasons thereof will be outlined as per Section 134(3) (o) of the Act and also adopt any one option from the below mentioned as provided in the Act:

1. In case the project is not an 'on – going' project:
  - (a) Transfer such unspent amount to the Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.
2. In case the project is or is to be considered as 'Ongoing project':
  - (a) Pass a Board Resolution to approve the project as 'on-going' if it has not been already identified as an ongoing project;
  - (b) Open an 'Unspent Corporate Social Responsibility Bank account' and transfer the amount which is unspent/ unutilized on the approved Corporate Social Responsibility project/programs/activities within a period of 30 days from the end of the Financial Year;
  - (c) Ensure completion of the project within 3 years from the date of such transfer to the 'unspent CSR bank account' of the Company.
  - (d) In case of ongoing project, the Board of a Company 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.

#### **Treatment of Surplus:**

In the event that the Company makes any surplus or profit from pursuing its CSR Projects / Programs, these will not form part of the business profit and will be invested back into CSR Projects 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 Any amount spent in excess of requirement provided under the Companies Act, such excess amount may be set off against the requirement to spend up to immediate succeeding 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

#### **Chief Financial Officer (CFO) certification:**

The CFO of the Company or the person responsible for Financial Management affairs of the Company shall certify that the funds disbursed have been utilized for the purpose in the manner approved by the Board on a periodic basis.

#### **Disclosure Requirements:**

- (a) The Board's report under sub-section (3) of Section 135 shall disclose the composition of the Corporate Social Responsibility Committee.





## **MISCELLANEOUS**

This Policy shall remain in force unless amended or withdrawn. The Board of the Company may, subject to compliance with applicable law, at any time alter, amend or modify the CSR Policy on the recommendation of the CSR Committee as it deems fit to comply with the statutory obligation of the Company to undertake the CSR Activities.