

**METRO DECORATIVE PRIVATE LIMITED
CORPORATE SOCIAL RESPONSIBILITY POLICY
APPROVED BY BOARD OF DIRECTORS**

1. Introduction-

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Metro Decorative Private Limited has formulated the Corporate Social Responsibility Policy in compliance with section-135 of companies act 2013. Read with relevant rules and schedule VII of the companies Act 2013. It shall apply to all CSR Projects/Programs undertaken by the company as per activities listed in Scheduled VII of the Act.

2. Scope

This Policy shall apply to all the CSR project undertaken by the company, whether such project is executed in collaboration with any company or its own.

3. Definition:

"Act"- Means companies Act 2013 including any statutory modification or re-enactment thereof:

"Board"- Means Board of Director of the Metro Decoratives Private Limited

"Corporate Social Responsibility"- means the activities undertaken by the company in pursuance of its statutory obligation laid down in the section 135 of the companies Act 2013. In accordance with the provision contained in the CSR rules.

"CSR Rules"- means the companies (corporate Social Responsibility Policy rules.

"Chairperson" - Means chairperson of the CSR committee, if any

CSR Committee – means the corporate social responsibility of the Board if any

Employee- Means employee of Metro Decorative private Limited

4. History of Corporate Social Responsibility Policy

The Philosophy of CSR has had a long- standing history in India. It has been imbibed as the way of life in our country since ages, which underlines DHARMA and SEVA very prominently. IT further emanates from the Gandhian Principles of trusteeship and give back to the society.

India is one of the first countries in the world to create a legal framework on Corporate Social Responsibility policy. The CSR provision a robust framework for companies to partner in contributing to the nations development challenges through leveraging their managerial skills, technology and innovation.

5. Vision of Metro Decorative Private Limited

Metro Decorative Private Limited also wanted to be a part of India social and economic growth and contributing for the nation development. As per Schedule -7 of companies Act 2013.

Legal Frame work of CSR:

6. *The Government Provides the broad framework of CSR through –*

1. *Section 135 of the Companies Act 2013.*

Section 135 of the Act contain the provision regarding the CSR which inter-alia includes eligibility and spending criteria of CSR formulation and contents of CSR Policy, role and function of CSR Committee and board of the company, treatment of unspent CSR disclosure requirements and penal provisions concerning CSR.

Section 135 of the companies Act recently amended vide companies Amendment 2019 and companies Amendment act 2020 and same has been commenced w.e.f January 2021

2. *Schedule-VII of the companies Act, 2013*

Schedule VII of the companies Act 2013, specifies the areas or subject to be undertaken by the company as CSR Activities. These areas are broadly aligned with national priorities and relates to sustainable and inclusive development. The act does not recognize any expenditure on areas/ activities outside schedule-7 as CSR expenditure. Further Ministry of Corporate affairs clarified that the item enlisted in schedule-VII must be interpreted liberally to capture the essence of the subjects enumerated in the said schedule.

SCHEDULE VII

**Activities which may be included by companies in their Corporate Social Responsibility Policies
Activities relating to:—**

[(i) eradicating hunger, poverty and malnutrition, [promoting health care including preventive health] and sanitation 3[Including contribution to the Swatch 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 4[including contribution to the Clean Ganga Fund set-up 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, 5[Central Armed Police Forces (CAPE) and Central Para Military Forces (CPMF) veterans, and their dependents including widows];

(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 6[Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES 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) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs)]

(x) rural development projects.]

[(xi) slum area development. Explanation.— For the purposes of this item, 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.]

[(xii) disaster management, including relief, rehabilitation and reconstruction activities.]

7. CONSTITUTION OF THE CSR COMMITTEE

- **Pursuant to the provisions of Section 135 of the Act, the Board of Directors shall constitute the Corporate Social Responsibility (CSR) Committee. The Members of CSR Committee shall be appointed by the Board of Directors of the Company, the composition of which shall be in accordance with Section 135 of the Companies Act, 2013 as amended from time to time.**
- **The role and responsibilities of the CSR Committee shall include the following:**
- **Formulate and recommend to the Board, a Corporate Social Responsibility Policy**
- **which shall indicate the activities to be undertaken by the Company as specified in**
- **Schedule VII of the Companies Act, 2013;**
- **Recommending to the Board, the CSR expenditure to be incurred.**
- **Monitoring the implementation of CSR Policy from time to time.**
- **Formulation of Annual action plan which shall include:**
- **List of approved CSR Projects or programmes to be undertaken in areas or**
- **subjects specified in Schedule VII of the Act;**
- **Execution Plan for such Projects or Programmes;**
- **Implementation schedule for the projects and modalities of utilisation of funds;**
- **Monitoring and reporting mechanism for the projects or programmes.**
- **The CSR Committee may recommend to the Board to carry on Impact Assessment of the**
- **Projects undertaken by the Company, if required**

8. BUDGETING

8.1 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 or where the company has not completed the period of three financial years since its incorporation, during such immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy.

As per Rule 7 of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the administrative overheads shall not exceed 5% of the total CSR expenditure of the company for the financial year.

8.2 In case the Company fails to spend the statutory minimum limit of 2% of Company's average net profits of the immediately preceding three years, in any given financial year, the Board shall specify the reasons for the same in its report in terms of clause (o) of subsection (3) of section 134 of the Act and such unspent amount shall be dealt with in accordance with the provisions of Section 135 (5) & (6) of the Act and shall be transferred by the Company to any fund included in Schedule VII of the Act.

8.3 CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR projects/activities undertaken. Moreover, Company spend any amount in excess of requirement

provided under sub-section (5) of section 135, such excess amount may be set off up to immediate succeeding three financial years in accordance with the Companies Act, 2013.

8.4 Any surplus arising out of the CSR Activities shall not form part of the business profit of the Company.

9. Project Selection and Implementation:

Project Selection

Project shall be selected on the basis of need identification studies, internal need assessment or receipt of proposals. Projected shall be evaluated against goals and milestone defined for the project together with implementing agency if any.

9. Project Implementation.

9.1 The Board shall ensure that the CSR Activities are undertaken by the Company itself or through any of the following implementing agencies –

(i) a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the Company, either singly or along with any other company; or

ii) a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or

(iii) any entity established under an Act of Parliament or a State legislature; or

(vii) company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

9.2.2 The implementation modalities may be modified from time to time.

9.2.3 The Company may also engage international organisations for designing, monitoring and evaluation of the CSR projects or programmes as per this CSR policy as well as for capacity building of its own personnel for CSR.

9.2.4 All projects will have Key Performance Indicators (KPIs) to measure progress toward those goals and objectives set at the time of project definition. Based on the nature of the project, the KPIs will be defined and measured across various stages such as Inputs, Outputs, Outcome and Impact.

9.2.5 The project may define the beneficiary group as per the goal and the needs assessment / baseline study.

9.2.6 The Company may also collaborate with other companies for undertaking projects or programmes or CSR activities in such a manner that the CSR Committees of respective companies (wherever Committees are been constituted as per the provisions of the Act read with CSR Rules) are in a position to report separately on such projects or programmes in accordance with the CSR Rules.

9.2.7 The annual action plan of the Company would include the manner of execution of CSR projects or programmes to be undertaken by the Company and the modalities of utilisation of funds and implementation schedules for the projects or programm

10 Monitoring

It will be the responsibility of the CSR committee to monitor the implementation of the projects/programmes/activities under this CSR policy. The CSR Committee shall monitor the implementation of the CSR Policy through periodic reviews, field visits or in any other manner depending upon the nature of the activity/ project/ program so as to ensure that the CSR contribution is utilized for the purposes as mentioned in CSR Policy.

11. DISCLOSURE

The Company shall comply with provisions of section 134 & 135 of the Act and Rules thereby ensuring that it makes disclosure as required under the applicable laws.

12. REVIEW

The CSR Committee shall provide recommendations as and when it deems necessary to the Board to amend/ modify/ revise the CSR Policy. The Policy shall be reviewed and revised as and when required by the CSR committee subject to the approval of board of directors but will, always be subject to the applicable laws.

13. INTERPRETATION

In case of any conflict between the provisions of this Policy and provisions of any applicable law, the provisions of the applicable law shall prevail over this Policy. Any subsequent amendments/ modifications in the provisions of applicable law shall automatically apply to this Policy.

14. UNSPENT CSR FUND

Any amount remaining unspent under sub-section (5), pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of its Corporate Social Responsibility Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

(sub section -135(7) companies Act If a company contravenes the provisions of sub-section (5) or sub-section (6), the company shall be punishable with fine which shall not be less than fifty thousand rupees but which may extend to twenty-five lakh rupees. and every officer of such company who is in default shall be punishable with imprisonment for a term which may extend to three years or with fine which shall not be less than fifty thousand rupees but which may extend to five lakh rupees, or with both.

(8) The Central Government may give such general or special directions to a company or class of companies as it considers necessary to ensure compliance of provisions of this section and such company or class of companies shall comply with such directions."

For METRO DECORATIVE PVT. LTD.


Mr. Aman Garg
(Director-2)

Director

Signature