



Tolins Tyres Limited	Version No.	02
¹ CIN: L25119KL2003PLC016289	Prepared by	Secretarial Department
Registered Office: No. 1/47, M C Road, Kalady, Ernakulam, Aluva, Kerala, India, 683574.	Effective date	January 29, 2024
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CORPORATE SOCIAL RESPONSIBILITY POLICY

1. INTRODUCTION:

1.1 CSR IN INDIA

CSR in India has traditionally been seen as a philanthropic activity. While the corporate houses have been traditionally engaged in doing CSR activities voluntarily, the CSR provisions put formal and greater responsibility on companies to set out clear framework and process to ensure strict compliance.

The Companies Act, 2013 (hereinafter referred to as ‘the Act’), has introduced the idea of CSR to the forefront and through its “Comply-or-Explain” mandate. It mandates qualifying companies to constitute Corporate Social Responsibility Committee of the Board or the functions of such committee be discharged by the board of Directors as may be applicable to effectively monitor CSR activities of the Company. Further the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time (hereinafter referred to as “CSR Rules”) lays down the framework and modalities of carrying out CSR activities which are specified in Schedule VII of the Act.

2. OBJECTIVE & SCOPE

The main objective of the CSR Policy is to lay down guidelines for Tolins Tyres Limited (hereinafter referred to as ‘the Company’) to make CSR as one of the areas to adhere to a strategy that focuses on making a positive contribution to society through high impact, sustainable programs.

This Policy covers current as well as proposed CSR activities to be undertaken by the Company and examines their alignment with Schedule VII of the Act as amended from time to time. It covers the CSR activities which are being carried out in India only and includes strategy that defines plans for future CSR activities.

The Company proposes to implement its CSR activities in various sectors stated hereunder:

1. Healthcare
2. Sanitation
3. Drinking Water
4. Promoting Education
5. Rural Development
6. Vocational Skills and Employment Opportunities
7. Facilities for Senior Citizens and Medical Aid for Old Aged Homes
8. Women Hostels
9. Special Employment Opportunities for Women
10. Environment Protection
11. Animal Welfare

¹ The CIN of the Company has been updated to L25119KL2003PLC016289 with effective from December 27, 2024

12. Conservation of Natural Resources
13. Protection of National Heritage
14. Promoting and development of Art and Culture
15. Public Libraries
16. Promotion and development of traditional arts and handicrafts
17. Measures for armed forced veterans, war widows and their dependents
18. Promotion and development of rural sports and National Games
19. Contribution to funds set by the Central or State Government for development and welfare of Scheduled Castes, Scheduled Tribes and minorities
20. Rural Development Projects
21. Contribution to technology incubators located within academic institutions
22. Any other area as may be prescribed by Schedule VII amended from time to time

The Company will review the sectors from time to time and make additions / deletions/ clarifications to the above sectors.

The above Targeted Sectors are mapped with the activities as prescribed under Schedule VII to the Act for the Company's Principles for the formulation of Annual Action Plan. While the focus of CSR efforts will be in the local areas and the areas in which the Company operates, the Company may also undertake projects where societal needs are high or in special situations (such as in the case of natural disasters etc.) outside the local areas.

The CSR Annual Action Plan shall include the following:-

1. List of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act.
2. The manner of execution of such projects or programs.
3. The modalities of utilization of funds and implementation schedules for the projects or programs.
4. Monitoring and reporting mechanism for the projects or programs and details of need and impact assessment, if any, for the projects undertaken by the company.

3. CSR COMMITTEE

3.1 CONSTITUTION:

Pursuant to the provisions of Section 135 of the Act, the qualifying company shall constitute the Corporate Social Responsibility (CSR) Committee. The Members of CSR committee shall be appointed by the Board of Directors of the Company which must consist of two or more Directors. Where the amount to be spent by a company under Section 135(5) of the Act does not exceed fifty lakh rupees, the requirement under Section 135(1) of the Act for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under section 135 of the Act shall, be discharged by the Board of Directors of such company.

Since the amount to be spent by the company under section 135 (5) of the Act is less than Rs. 50 Lakh, the current Board of Directors of the Company shall discharge the functions of the Corporate Social Responsibility committee till such sending of CSR amount exceeds Rs. 50 Lakh.

The word "Corporate Social Responsibility committee" shall be construed as the Board of Directors in this policy until unless a separate committee is formed.

3.2 POWERS OF THE COMMITTEE

Following are the powers of the CSR Committee:

1. Formulate CSR Policy and recommend the same to the Board of Directors of the Company for approval.
2. Recommend CSR activities as stated under Schedule VII of the Act.
3. Approve to undertake CSR activities in collaboration with firms/NGOs etc. and to separately report the same in accordance with the CSR Rules.
4. Recommend the CSR Budget.
5. Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules.
6. Create transparent monitoring mechanism for implementation of CSR Initiatives in India.
7. Submit the CSR Report to the Board in respect of the CSR activities undertaken by the Company.
8. Monitor CSR Policy from time to time.
Monitor activities to ensure that the CSR activities of the Company are implemented effectively.
9. Authorize executives of the Company to attend the CSR Committee Meetings.
10. Recommend to the Board an Annual Action Plan which includes the modalities for utilization of CSR funds and implementation schedules for the projects or programs, monitoring and reporting mechanism of the projects or programs and details of need and impact assessment for the projects undertaken by the Company.
11. Recommend the alteration in the Annual Action Plan at any time during the year and update, if any, required to the CSR Policy.
12. To ensure that Company makes mandatory disclosures in the Company's Annual Reports and its website, relating to CSR Committee members, Policy and the activities undertaken.
13. To Approve for transfer of unspent CSR Amount if any in accordance with the law.

3.3 FREQUENCY OF THE MEETINGS OF THE CSR COMMITTEE

The CSR Committee shall meet at least once in a year. Members of the CSR Committee can agree upon mutually regarding time and place for the said meetings. Quorum for the meeting should be minimum two. The Members of the Committee may participate in the meeting either in person or through video conferencing or other audio-visual means in accordance with the provisions of the Companies Act, 2013 and rules made thereunder from time to time.

Management may attend the CSR Committee Meetings as may be appropriate, subject to the approval of the CSR Committee. Minutes of the CSR Committee shall be placed before the Board for noting.

4. CSR BUDGET/CSR SPEND

The total budget for the CSR projects in each financial year will be decided by the CSR Committee in accordance with applicable provisions of the Act and the CSR Rules and the CSR Committee will recommend the amount of expenditure to be incurred on the activities to the Board for its approval. The CSR Committee shall propose to distribute the budget among the Areas to Emphasize or such of them as the CSR Committee may deem fit in each financial year, in such proportion and in a manner that meets the objectives of the CSR Policy.

The Act mandates companies meeting the qualification criteria to allocate 2% of its average net profits (before tax) during the three immediately preceding financial years calculated as per Section 198 of the Companies Act, 2013 to be spent on CSR Activities that fall under purview of Schedule VII of the Act.

4.1 CSR EXPENDITURE

Net profit means profit more fully described under Rule 2(h) of the CSR Rules. The CSR expenditure shall include all expenditure including contribution to corpus or on projects or programs relating to CSR activities approved by the Board of Directors on the recommendation of its CSR Committee but does not include any expenditure on an item not in conformity or not in line with activities stated under Schedule VII of the Act.

4.2 EXPENDITURE ON CSR CAPABILITIES:

The Company may build CSR capabilities of their own personnel as well as of their Implementing Agencies and such expenditure including administrative overheads shall not exceed 5% of the total CSR spend of the Company as stated in the Rules from time to time.

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.

Where a company spends an amount in excess of requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 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, if any, in pursuance of sub-rule (2) of the rule 7.
- ii. the Board of the company shall pass a resolution to that effect.

The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by –

- i. a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or
- ii. beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- iii. a public authority:

Provided that any capital asset created by a company prior to the commencement of the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, shall within a period of one hundred and eighty days from such commencement comply with the requirement of this rule, which may be extended by a further period of not more than ninety days with the approval of the Board based on reasonable justification.

Monitoring

The CSR Team or any person authorized by the CSR Committee will monitor the implementation and progress of the approved projects through appropriate mechanisms such as site visits, review meetings and progress reports etc. Mechanisms to track data and monitor projects may be established to ensure the transparency and efficiency of the implementation process. The projects will be evaluated against the milestones defined in the implementation plan of the project.

The Board of the Company shall satisfy itself that the CSR funds disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect as per applicable rules in this regard.

Reporting

The CSR Committee of the Board, based on reports presented by the CSR Team, will annually publish report on the CSR projects as a part of the Director's report. The report will disclose information in the format as prescribed by the Section 135 of the Companies Act 2013 and rules made thereunder. The CSR Committee shall also submit a responsibility statement to the Board that the implementation and



monitoring of the CSR Policy is in compliance with the approved CSR Policy of the Company.

The CSR Policy on being approved by the Board shall be displayed on the website of the Company and any modifications carried out from time to time shall also be updated on the website of the Company respectively.

4.3 FAILURE TO SPEND THE CSR MONEY:

In case the Company fails to spend the targeted amount in that particular financial year, it needs to transfer the unspent CSR amount - Until a fund is specified in list of funds at present specified under Schedule VII for the purposes of sub section (5) and (6) of section 135 of the Act:

- i. Prime Minister's Central Assistance and Relief in Emergency Situations Fund (PM CARES Fund)
- ii. Swach Bharat Kosh
- iii. Clean Ganga Fund
- iv. People for Animal Organisation
- v. Such other funds/purpose as the CSR Committee may decided consequence of

non-transfer in aforesaid manner:

- i. Offence decriminalized vide Companies Amendment Act, 2020.
- ii. Company liable to pay penalty twice the amount of default or Rs. 1 crore, whichever is less.
- iii. Every officer liable to pay penalty @ 10% of default or Rs. 2 Lakhs, whichever is less.

5. CSR INITIATIVES

In line with Schedule VII of the Act and the CSR Rules, the Company shall undertake CSR activities as recommended by the CSR Committee. The Committee is authorized to approve any modification to the Annual Action Plan during the financial year under review.

5.1 ANNUAL ACTION PLAN

The Annual Action Plan is a yearly plan of CSR activities that would be placed before the Board of Directors of the Company based on recommendation of its CSR Committee which outlines the following aspects of CSR initiatives of the Company:

1. Tailor-made CSR projects depending upon allocated spend and geographical presence.
2. Partnering agencies/companies/firms Process Owners.
3. Project Proposals.
4. Targeted Beneficiaries & their key needs Alignment with Schedule VII.
5. Project Goals and milestones.
6. Activities and Timelines including expected closure dates CSR Budget with projections.
7. Monitoring mechanism.
8. Progress reporting and frequency of reports Risks and mitigation strategies.
9. Impact Assessment for Projects undertaken.
10. Any other information as may be required by the CSR Committee

5.2 COLLABORATION

The Company may collaborate with any other Company / firm / NGO as may be approved by CSR Committee to implement CSR activities and the same shall form a part of the Annual Action Plan. The



Company may form trusts on its own to carry out CSR activities in accordance with the CSR Rules and to administer its CSR activities.

5.3 DISQUALIFYING ACTIVITIES FOR CSR

The CSR Rules prohibit the CSR projects and programs that are implemented by the Company for the benefit of the employees of the Company and their families. The CSR activities implemented outside India also fall outside the purview of the Rules and hence CSR expenditure on such activities will not be considered for inclusion in the CSR Report. Any amount directly or indirectly contributed towards any political party under Section 182 of the Act shall not be considered as CSR Spend. Activities that are undertaken by the Company in pursuance of its normal course of business will not be considered as CSR activities.

5.4 MONITORING MECHANISM

A Joint Working Group (JWG) comprising of employees of the Company and representatives of entities with which the Company decides to collaborate for fulfilling its CSR obligations, may be created to ensure effective implementation and monitoring of the projects approved by the CSR Committee. The JWG, if any, will submit periodic reports to the CSR Committee of the Company on the progress of the various projects approved by the Committee and entrusted to the JWG for implementation and monitoring.

6. PUBLICATION OF CSR POLICY & PROGRAMS

The Company shall publish its Annual Report on CSR Activities in its Directors Report in the manner prescribed under the Companies Act 2013 and the CSR Rules, particulars specified in Annexure I or Annexure II, as applicable. The Company shall also place its CSR report on its website and shall mention such weblink in its Directors Report.

7. AMENDMENTS AND UPDATES

This policy will be reviewed periodically by the Board/ Committee as may be deemed necessary and to comply with any regulatory amendments or statutory modifications and subject to the necessary approvals of the Board of Directors in cases of material changes to the Policy.

8. INTERPRETATION

In case of any subsequent changes in the provisions of the aforementioned statutes, the statutes would prevail over the Policy and the provisions in the Policy would be modified in due course to make it consistent with prevailing law. Any subsequent amendment/modification in SEBI Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.
