

CORPORATE SOCIAL RESPONSIBILITY POLICY

{Pursuant to Section 135 of Companies Act, 2013}

HILTON METAL FORGING LIMITED

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OBJECTIVE:

Corporate Social Responsibility (CSR) is strongly connected with the principles of Sustainability; an organization should make decisions based not only on financial factors, but also on the social and environmental consequences. Therefore, it is the core corporate responsibility of **Hilton Metal Forging Limited** ("Hilton" or "the Company") to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders.

HMFL recognizes that its business activities have wide impact on the societies in which it operates, and therefore an effective practice is required giving due consideration to the interests of its stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organizations. The company endeavors to make CSR a key business process for sustainable development. Hilton is responsible to continuously enhance shareholder's wealth; it is also committed to its other stakeholders to conduct its business in an accountable manner that creates a sustained positive impact on society. Our company is committed towards aligning with nature and has adopted eco-friendly practices in throughout the organization.

As a corporate entity, the Company is committed towards sustainability. Ongoing dialogues with shareholders provide valuable approach with an objective that each business decision takes into account its social and environmental impacts and plans.

PHILOSOPHY:

All CSR activities shall be driven by the core value of Inclusion. Hilton shall ensure that all developmental activities/ initiatives undertaken are accessible to the most marginalized segments such as children, women, elderly and those with disabilities. This would reflect particularly in the field of healthcare, sanitation, community welfare, education etc.

REGULATORY FRAMEWORK:

This policy is formulated in accordance with the Companies Act, 2013 together with Rules notified there under ("the Act") and Schedule VII of the Act provides a framework for the Companies to define the key thrust areas in the CSR space. This Policy also reiterates the Company's commitment to follow the nine principles laid down in the National Voluntary Guidelines on Social, Environmental and Economic responsibilities of Business published by the Ministry of Corporate Affairs while conducting its business to the extent these are relevant.

DEFINITIONS:

“Corporate Social Responsibility (CSR)” means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, **but shall not include the following, namely:-**

- (i) Activities undertaken in pursuance of normal course of business of the company;
- (ii) any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
- (iii) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- (iv) activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- (v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- (vi) activities carried out for fulfilment of any other statutory obligations under any law in force in India;

SELECTION FOR CSR PROGRAMMES:

With the advent of the Companies Act 2013 particularly Section 135 of the Act, Hilton shall undertake any of the following activities under its CSR programme:

- (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach 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 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 art and handicrafts;
- (vi) measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) 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 Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
- (ix) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and
- (x) 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).
- (xi) rural development projects
- (xii) slum area development.
- (xiii) disaster management, including relief, rehabilitation and reconstruction activities.

IMPLEMENTATION:

Hilton's CSR Programmes shall be implemented through any of the following mediums:

(i) Through Company's own brand name:

While brands are one of core resources for sustainable profit growth, Hilton believes that these brands, given their consumer connect, credibility and their trust in brands core values, are well positioned to perform a distinct role in spread heading Hilton's CSR cause. Hilton would lead some of its CSR programme through its brands to spread awareness, credibility and quick adaptation. These will be designed to make Company's CSR to spend more effective in achieving its goals and reputational benefit which may occur to the Brand will be purely coincidental.

OR

(ii) Through any other–entity/company/trust/society specified under the rules of Companies Act, 2013 as amended from time to time.

GOVERNANCE/MONITORING:

The Board will have an oversight on the adherence of this policy. The Corporate Social Responsibility Committee ("CSR Committee") of the Board shall be formed in case the CSR expenditure obligation for the financial year exceeds INR 50 Lakhs and it shall comprise of minimum three Directors of the Company, out of which at least one shall be an Independent Director. The CSR committee shall work under superintendence and control of the Board.

(i) The CSR Committee shall be headed by the Chairman of Board and shall be responsible to:

1. Formulate and approve revisions to the CSR Policy and recommend the same to Board for its approval.
2. Recommend the annual CSR expenditure budget to the Board for approval.
3. Monitor the implementation of CSR projects/Programmes.
4. Monitor the CSR Policy of the Company from time to time.
5. Treat the unspent CSR Amount as per the provisions of Companies Act, 2013 and rules made there under from time to time.
6. Set off the excess CSR amount spent against the requirement to spend under section 135(5) of the Companies Act, 2013.
7. Such other activities as may be specified under Companies Act, 2013 and rules made there under from time to time.

During any year under review, if the CSR expenditure obligation falls below INR 50 lakhs, the functions of the CSR Committee as mentioned above, shall be discharged by the Board of Directors of the Company.

Hilton's CSR Programs will be driven by the Executive Board Members under the guidance and support of CSR Committee, if applicable.

(ii) ANNUAL ACTION PLAN:

Pursuant to Companies (Corporate Social Responsibility Policy) Rules, 2014, CSR Committee to formulate Annual Action Plan by including the following:

- a) List of approved CSR projects.
- b) Manner of execution of CSR projects.
- c) Implementation schedules and modalities for fund utilisation.
- d) Monitoring & reporting mechanism.
- e) Details of need and impact assessment, if any

BUDGET:

- a) The Board to ensure that minimum of 2% of average net profit of the last 3 years is spent on CSR initiatives undertaken by Hilton.

- b) The Board to ensure that the administrative overheads w.r.t. to CSR activities shall not exceed five percent of total CSR expenditure of the company for the financial year.
- c) The overall amount to be committed towards CSR will be approved by the Board of Directors as a part of annual Budget /Plans.
- d) Within the Budget the allocation towards specific CSR initiatives/projects will be approved /ratified by the CSR committee.
- e) The surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company.
- f) The budget shall be guided by amendments brought in Companies Act 2013 and rules made there under from time to time.

REVIEW/AMENDMENTS:

The Board may, subject to applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy.
