



***Corporate Social Responsibility Policy***

## **Corporate Social Responsibility Policy**

### **1. Background**

“Helping others makes the world better place”

Corporate Social Responsibility is “the responsibility of enterprises for their impacts on society”. As mentioned by United Nations Industrial Development Organization (UNIDO), CSR is generally understood as being the way through which a company achieves a balance of economic, environmental and social imperatives [“Triple Bottom-Line- Approach”], while at the same time addressing the expectations of shareholders and stakeholders.

This Policy shall be read in line with Section 135 of the Companies Act 2013, Companies [Corporate Social Responsibility Policy] Rules, 2014 and such other rules, regulations, circulars, and notifications (collectively referred hereinafter as “Regulations”) as may be applicable and as amended from time to time and will, inter-alia, provide for the following:

- Establishing a guideline for compliance with the provisions of Regulations to dedicate a percentage of Company’s profits for social projects.
- Ensuring the implementation of CSR initiatives in letter and spirit through appropriate procedures and reporting
- Creating opportunities for employees to participate in socially responsible initiatives.

### **2. Philosophy of Company Towards CSR:**

The Company considers itself as RESPONSIBLE CORPORATE and as a Responsible Corporate, Company’s Philosophy is not just to abide by the Legal Laws but actively contribute to the social, environmental and economic development of the society in which Company operates.

### **3. Definitions**

In this Policy unless the context otherwise requires:

- a) **“Act”** means the Companies Act, 2013;
- b) **“Annexure”** means the Annexure appended to these rules;
- c) **“Corporate Social Responsibility [CSR]”** means and includes but is not limited to (i) Projects or programs relating to activities specified in Schedule VII to the Act or (ii) Projects or programs relating to activities undertaken by the board of directors of a company (Board) in pursuance of recommendations of the CSR Committee of the Board as Per declared CSR

Policy of the company subject to the condition that such policy will cover subjects enumerated in Schedule VII of the Act.



+91 2827 287930/31  
+91 7998 7998 16



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GIDC, METODA - 360021.  
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- d) **“CSR Committee”** means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.
- e) **“CSR Policy”** relates to the activities to be undertaken by the company as specified in Schedule VII to the Act and the expenditure thereon, excluding activities undertaken in pursuance of normal course of business of a company.
- f) **“Net profit”** means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions of the Act, but shall not include the following, namely :-
- (i) Any profit arising from any overseas branch or branches of the company' whether operated as a separate company or otherwise;
  - (ii) Any dividend received from other companies in India, which are covered under and complying with the provisions of section 135 of the Act: Provided that net profit in respect of a financial year for which the relevant financial

Words and expressions used and not defined in these rules but defined in the Act shall have the same meanings respectively assigned to them in the Act.

#### 4. Constitution of CSR Committee

Sr. No.	Name of the Director	Position in the Committee
1	Mr. Rajendra R. Bhandari	Chairperson
2	Mr. Rupesh J. Mehta	Member
3	Mr. Nikesh J. Mehta	Member

#### 5. Scope

The CSR Committee shall exercise powers and perform the functions assigned to it by the Board of Directors of the Company pursuant to section 135 of the Companies Act, 2013 and CSR Rules notified with regard thereto.

CSR Committee Shall:

- a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company and recommend to the Board any amendment, modification to the Policy as may be required.
- b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- c) Monitor the Corporate Social Responsibility Policy of the company from time to time.



## 6. CSR activities

The CSR activities we pursue will be in line with our stated vision and mission, focused not just around our plants and offices, but also in other geographies based on the needs of the communities.

For purpose of focusing its CSR efforts in a continued and effective manner, the following thrust Areas in line with schedule VII of the Companies Act, 2013;

- (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 centers 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.
- (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 any other fund set up by the central government for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women.
- (ix) Contributions or funds provided to technology incubators located within academic institutions which are approved by the central government.
- (x) Rural development projects.



+91 2827 287930/31  
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[sales@macpowercnc.com](mailto:sales@macpowercnc.com)



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(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.

## 7. Allocation of Fund

The Company would spend not less than 2% of the average Net Profits of the Company made during the three immediately preceding financial years. The surplus arising out of the CSR activity will not be part of business profits of the Company. The Corpus would thus include the 2% of average net profits, as aforesaid, any income arising there from and surplus arising out of CSR activities.

However, if the Company ceases to be covered under sub-section (1) of Section – 135 of the Act for three financial years, then it shall not be required to, comply with the provisions laid down under sub-section (2) of (5) of the said section, till such time it meets the criteria specified in sub-section (1) of the Act.

## 8. Disclosure/Reporting:

- A. The CSR Policy shall be placed and disclosed on the Website of the Company.
- B. The Board's report shall include ANNUAL REPORT ON CSR ACTIVITIES as required under the Act with the following particulars:
- A brief outline of the company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR policy and projects or programs;
  - The composition of the CSR Committee;
  - Average net profit of the company for last three financial years;
  - Prescribed CSR Expenditure (2% of the amount of the net profit for the last 3 financial years);
  - Details of CSR spent during the financial year;
  - In case the company has failed to spend 2% of the average net profit of the last three financial years, reasons thereof;
  - A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

## 9. Implementation

The investment in CSR should be project based and for every project time framed periodic mile stones should be finalized at the outset.



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Project activities identified under CSR are to be implemented by Specialized Agencies and generally by Management or staff of the organization. Specialized Agencies could be made to work singly or in tandem with other agencies.

Such specialized agencies would include:

- i) Community based organization whether formal or informal.
- ii) Elected local bodies such as Panchayats
- iii) Voluntary Agencies (NGOs)
- iv) Institutes/Academic Organizations
- v) Trusts, Mission etc.
- vi) Self-help groups
- vii) Government, Semi Government and autonomous Organizations.
- viii) Standing Conference of Public Enterprises (SCOPE)
- ix) Mahila Mondals/Samitis and the like Contracted agencies for civil works Professional Consultancy Organization etc.

The Company may collaborate or pool resources with other companies to undertake CSR activities, through any non-profit organization, if required.

## **10. Amendments to the Policy**

The Board of Directors on its own and/or on the recommendation of CSR committee can amend its policy as when required deemed fit. Any or all provisions of CSR Policy would be subjected to revision/amendment in accordance with the regulations on the subject as may be issued from relevant statutory authorities, from time to time.



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