

# CSR POLICY OF ACG PAMPAC MACHINES PVT. LTD.

## 1. Preamble/Philosophy

CSR has been a part of organisational philosophy for ACG Pampac Machines Pvt. Ltd. since its inception and it has been working with communities long before CSR became an area of active interest amongst majority of stakeholders. The purpose of this policy is to define ACG's vision, guiding principles, governance structure and programs for its Corporate Social Responsibility.

## 2. CSR Vision

Corporate Social Responsibility (CSR) has been a long-standing commitment at ACG Pampac Machines Pvt. Ltd. and forms an integral part of our activities. The Company has now embarked upon the process of institutionalizing its commitment at being a socially responsible institution with an aim of sustainable development of the society. ACG Pampac Machines Pvt. Ltd. believes in building sustainable communities that are economically, environmentally and socially healthy and resilient. It aspires to meet these challenges through integrated solutions rather than through fragmented approaches that meet one of those goals at the expense of the others.

## 3. Governance structure

The Company has put in place a robust governance structure to ensure that CSR policy is implemented and monitored effectively. The Company has a CSR Committee, which is duly constituted in accordance with the provisions of Companies Act with respect to its composition and terms of reference. CSR Committee will articulate and recommend to the Board of Directors the CSR policy and scope of CSR activities for the Company. Specific responsibilities of the Board and CSR Committee have been given below:

### **The Board:**

The Board of Directors of the Company will be responsible for:

- Approval of the CSR Policy of the Company.

- Disclosing the content of the Policy in its report and place the Policy on the Company's website.
- Ensuring that the thematic areas/social projects included in the Policy are pursued by the Company as part of its CSR programme.
- Ensuring that the Company spends, in every financial year, atleast 2% of the average net profits of the Company made during the three immediately preceding financial years in pursuance of the Policy.
- Ensuring that it specifies the reasons in its report for not spending the earmarked amount in case the Company fails to spend such amount.
- Review the CSR policy annually and make amendments to the policy, if required

#### **CSR Committee:**

- Formulate and recommend the CSR Policy and CSR programme to the Board for approval.
- Monitor the Policy from time to time and recommend changes to the Board.
- Recommend the amount of expenditure to be incurred on CSR projects.
- Institute a transparent monitoring mechanism for review and evaluation of the CSR initiatives being undertaken by the Company.

#### **4. Implementation Framework**

The Company through a registered trust or a registered society can undertake CSR activities as per the provisions of the Companies Act, 2013. Accordingly, ACG Cares Foundation has been formed for the purpose of coordinating and implementing CSR initiatives for the ACG group of companies. ACG Cares Foundation will:

- Work closely with and support the Board and the CSR Committee in implementing CSR activities of the Company.
- Assist the CSR Committee in identifying the areas of CSR activities, programs and execution of the initiatives as per defined guidelines.
- Assist the Board in reporting the progress of the deployed initiatives and in making appropriate disclosure (internal/external) on a periodic basis.
- Identify credible external stakeholders, partners and NGOs wherever direct implementation by the foundation is not feasible.

#### **5. CSR Budget**

The company shall allocate

- 2% of the average net profit made during the immediate three preceding financial years as CSR Budget
- Any unutilized CSR budget from the 2% of the average net profit will be parked in a CSR Fund (Corpus) of ACG Cares Foundation. This Fund would also include any

income arising there from and any surplus arising out of CSR activities. This fund would be utilized to implement CSR initiatives in subsequent years. Expenditure incurred on these initiatives would be in addition to the mandatory CSR spending by the Company in subsequent years. However, these projects would be subject to similar monitoring and evaluation protocol as other projects.

- In case of any surplus arising out of CSR projects the same shall not form part of business profits of the Company.
- The Company may collaborate or pool resources with other associate companies to undertake CSR activities so as to create a larger impact.

## 6. Thematic Areas

Based on the CSR needs as identified through a comprehensive need assessment and consultation with all the stakeholders, the Company has decided to focus on the following thematic areas as part of its CSR policy:

### a) **Education:**

In education, Company aspires to contribute to improving and facilitating the literacy levels in various sections of the society, by providing support at every stage of a child's educational cycle. This includes providing infrastructural support for schools/educational centres, engaging with students and parents leading to development of a better community, enhancing vocational skills and livelihood enhancement projects etc.

### b) **Healthcare:**

In healthcare, Company aspires to enhance the accessibility of health services for the underserved communities and develop innovative partnership models with public health centres and other stakeholders to bring about delivery of healthcare to marginalised segments of society. Company also endeavours to undertake other appropriate measures to promote health care through better diagnosis and treatments, preventive healthcare, building hygiene and sanitation awareness etc.

### c) **Environmental Sustainability:**

Environmental Sustainability is one of the core values of ACG Pampac Machines Pvt. Ltd. and CSR programme facilitates this cause by adopting simple yet powerful route for its efforts towards the environment. These include activities such as planting saplings, cleaning water bodies and campaigning for enhancing public awareness towards a cleaner and healthier society.

d) **Promotion of Sports:**

Company looks at sports not only as a way of life, but also a creator of employment throughout the eco-system. It aspires to promote and encourage nationally recognised sports by developing innovative partnerships with key stakeholders and providing training platforms to those who may have no access to such platforms.

e) Others as may be identified from time to time, in lines with Schedule VII of the Companies Act, 2013

The specific CSR initiatives pursued under the above-mentioned thematic areas will be aligned to the activities listed in Schedule VII of the Companies Act, 2013.

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