



MACHINO PLASTICS LTD.

Leaders in Automotive Plastic Parts

CORPORATE SOCIAL RESPONSIBILITY POLICY



*****This policy is framed and approved on 14th August, 2025*****

MACHINO PLASTICS LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

I. INTRODUCTION

The Policy on Corporate Social Responsibility ('CSR') has been framed by Machino Plastics Limited ('Company') in accordance with the Section 135, read with Schedule VII of the Companies Act, 2013('Act') and Rules made there under.

II. PREAMBLE

The Policy outlines the Company's responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking activities for the welfare & sustainable development of the community at large.

The core purpose of CSR is the continuing commitment by business to ethical principles, protection of human rights, care for the environment while improving the quality of life of all stakeholders including the local community and society at large.

The Company believes that all the stakeholders must be benefited, whether it is employee welfare or involvement of the employees in fulfilling the needs of the society. It firmly believes in sharing its prosperity with the society in which it operates.

III. OBJECTIVE

The main objective of the CSR Policy is to lay down the guidelines for CSR activities of the Company. The Policy is formulated in compliance of the requirements of the Companies Act, 2013 and the Rules made there under. The objective of the CSR Policy of the Company is not just to meet the legal requirements, but to have a profound positive social impact. The CSR policy of the Company is an effort to uphold the interest of various stakeholders, along with the community and the environment as a whole.

IV. CSR ACTIVITIES

The Company may undertake any of the following activities or such other activities as may be notified by the government from time to time:

- i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive healthcare 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 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 Centre's 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 arts and handicrafts;
- vi. Measures for the benefit of armed forces veterans, war widows and their dependents;
- vii. Training to promote rural sports, nationally recognized 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 Scheduled Castes, the Scheduled 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;
- xi. Slum area development;
- xii. Any other activities in relation to above and all other activities which forms part of CSR as per Schedule VII of the Companies Act, 2013 as amended from time to time.

The CSR activities shall be undertaken in India for the benefit of general public. Provided that preference shall be given to the local area and areas, where the Company operates, for undertaking the CSR activities.

V. CSR RESOURCES

- CSR Corpus of the Company shall include the following: -
 - i. 2% of average net profits of the Company (as stipulated under the Companies Act, 2013) made during the preceding three financial years.
 - ii. Any surplus arising out of CSR activities, if any.
- The Company may spend upto 5% of total CSR expenditure in one particular financial year on building CSR capabilities of the Company's personnel as well as their implementing agencies, having track records of at least 3 years.
- Transfer of unspent CSR amount – Unspent CSR amount, if any, shall be transferred to any fund included in schedule VII of the 'Act' / fund specified in Schedule VII.
- The Company may collaborate or pool resources with other Company to undertake CSR activities.

VI. IMPLEMENTATION AND MONITORING

The Company's CSR programmes will be identified and implemented according to this policy.

- i. The Board shall formulate an annual action plan in pursuance of its CSR policy, which shall include the following, namely: -
 - (a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - (b) the manner of execution of such projects or programmes;
 - (c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - (d) monitoring and reporting mechanism for the projects or programmes; and
 - (e) details of need and impact assessment, if any, for the projects undertaken by the company:

The Board may alter Annual Action plan at any time during the financial year, based on the reasonable justification to that effect. The surplus arising out of the CSR activities, projects or programs shall not form part of the business profit of the Company.

- ii. The company shall continue to focus on group projects, new & ongoing projects and give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities.
- iii. Board may nominate a CSR Team comprising senior officials to assist Board in discharging its functions.

- iv. The Board of Directors, CSR Team or employee of the Company can identify and propose CSR Projects.
- v. The Board may constitute CSR Committee as per the requirements of the Companies Act, 2013 and the rules made there under, as amended from time to time.
- vi. Any proposal for CSR activity/project shall first be vetted by the CSR Team/Board, to confirm whether it meets the criteria of this Policy, and all the conditions prescribed under the Companies Act, 2013 (including all Rules, Circulars, Notifications issued there under).
- vii. "Ongoing Project" means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification.
- viii. The CSR team may identify and recommend to the Board "Ongoing Project/s" and may designate some of the existing CSR projects as an Ongoing Project and such Ongoing Projects shall be selected, implemented, monitored and reported in accordance with the applicable CSR Provisions.
- ix. The Company shall undertake impact assessment from an Independent agency, if the average CSR obligation is Rs. 10 Crores (Rupees Ten Crores) or more in the three immediately preceding financial years, for its CSR projects having the outlays of Rs. 1 Crore (Rupees one crore) or more and have been completed more than one year before undertaking the impact study. Reporting for impact assessment and admissibility of overheads for assessment shall be as per applicable provisions under Companies Act, 2013.
- x. Employee participation in CSR Project shall be encouraged and supported through various initiatives from time to time.
- xi. The Project activities identified under CSR shall to be implemented either by personnel of the Company or through an implementing agency such as registered trust or a registered society or associate Company as defined under Section 2(6) of the Companies Act, 2013 or by specialized agencies nominated by CSR Committee from time to time, registered under the Companies Act, 2013. Such specialized agencies would include the Companies defined under Section 8 of the Companies Act, 2013, Voluntary Organizations, NGO's Self Help Groups, Mahila Mandals, Professional

Consultancy Organization, etc. However, the following minimum criteria will be ensured while selecting such NGO's/voluntary organizations for programme execution:

- (a) Such implementing agency is a registered Society/ Public Charitable Trust under Section 12A and 80G of the Income Tax Act, 1961.
 - (b) Such implementing agency has a permanent office/address in India.
 - (c) Such implementing agency has a valid Income Tax Exemption Certificate.
 - (d) Such implementing agency has an established track record of at least three years in carrying out the activities in the related areas.
 - (e) Such Implementing agency is registered with Ministry of Corporate Affairs (Form CSR 1) and have unique CSR registration number.
- xii. The Company may also collaborate with its Group Companies/Associate Companies or other Companies for undertaking projects or programmes or CSR activities in accordance with the Companies (Corporate Social Responsibility Policy) Rule, 2014. The Company may decide to conduct its CSR programs through trusts, societies, NGO's, or companies incorporated under section 8 of the Companies Act, 2013.

CSR expenditure will include all expenditure incurred by the Company on CSR Programmes undertaken in accordance with the approved Annual Action Plan. The CSR activities undertaken by the Company are not expected to lead to any additional surplus beyond what would accrue to the Company in the course of normal operations. However, surplus if any arising out of the CSR Projects or Programs shall not form part of the business profit of the Company and shall be dealt with in accordance with the applicable CSR Provisions. Likewise, any excess amount spent on CSR activities may be set off against the requirement to spend in the succeeding financial years in accordance with the applicable CSR Provisions. In the event the Company creates or acquires capital asset out of the CSR spend, such capital asset will be dealt with in terms of the applicable CSR Provisions.

While salaries paid by the Company to regular CSR staff, as well as to volunteers (in proportion to the time/ hours spent specifically on CSR activities), are legally permissible to be included as part of the CSR project cost under applicable guidelines, the company has chosen not to consider these costs as part of its expenditure. This decision is in line with the company's commitment to maximizing the direct benefit to society from its CSR initiatives.

xiii. Treatment of Unspent Amount: If the Company fails to spend the required amount in a particular financial year, the treatment of unspent CSR amount shall be as per applicable provisions under Companies Act, 2013

VII. EXCLUSIONS

- i. The CSR activities shall be undertaken by the Company either new or ongoing, excluding the activities undertaken in pursuance of its normal course of business.
- ii. Any payment made directly or indirectly to the political party(ies) will not form part of CSR activities/ expenditure.
- iii. The CSR projects or programs or activities that benefit exclusively for the employees of the Company and their families as defined in clause (k) of section 2 of the Code on Wages, 2019 shall not be considered as CSR activities in accordance with this policy.
- iv. 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;
- v. Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company.
- vi. Activities carried out for fulfilment of any other statutory obligations under any law in force in India.
- vii. Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- viii. Activities carried out for fulfilment of any other statutory obligations under any law in force in India.
- ix. Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;

VIII. REPORTING

- i. The Board's report of the Company shall include an annual report on CSR containing particulars as specified under Section 135 of the Act read with the CSR Rules.
- ii. The CSR Policy shall be disclosed on the website of the Company.
- iii. If the Company fails to spend or does not spend such amount, the Board shall, in its report specify the reasons for not spending the amount and transfer the CSR Unspent account to unspent CSR Account/ to the fund specified in Schedule VII of the Act.
- iv. CSR initiatives of the Company shall be reported in the Annual Report of the Company in the manner prescribed under the Companies Act, 2013 and the Rules made there under.

IX. GENERAL

- i. In case of any doubt with regard to any provision of the policy and also in respect of the matters not covered herein, a reference to be made to the Board. In all such matters, the interpretation & decision of the Chairman of the Board shall be final.
- ii. Any or all the provisions of CSR Policy would be subject to revision/ amendment in consultation with Board and in accordance with the guidelines on the subject as may be issued by the Government from time to time.

X. AMENDMENT

The Company or the Board reserves its right to modify, cancel, add or amend this Policy in whole or in part, at any time without assigning any reason whatsoever. However, this policy, in whole or in part shall stand modified/amended from time to time, without any further act on the part of the Company, as and when there would be any statutory modification(s)/ amendment(s)/ revisions(s) made to the applicable provisions of the Companies Act, 2013 or the Rules made there under.