

# NIRMITI PRECISION PRIVATE LIMITED

Corporate Social Responsibility Policy/2023

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## CORPORATE SOCIAL RESPONSIBILITY POLICY

### NIRMITI PRECISION PRIVATE LIMITED

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**NIRMITI PRECISION PRIVATE LIMITED**

**“CORPORATE SOCIAL RESPONSIBILITY POLICY”**

**A. Introduction**

Corporate Social Responsibility (CSR) is the commitment of companies to provide resources and support activities focused on enhancing economic and social development. It is the effort made by companies to improve the living conditions of the local area in which they operate and the society at large. The activities taken up as part of corporate social responsibility reflect the intent to create a positive impact on society without seeking any commensurate monetary benefits.

CSR has been a long-standing commitment at Nirmiti Precision Private Limited (“the Company” or “NPPL”) and forms an integral part of our activities. The NPPL’s Contribution to social sector development includes several pioneering interventions and is implemented through the involvement of stakeholders within the Company, the Group and the broader community.

The Company’s objective is to pro-actively support meaningful socio-economic development in India and enable a larger number of people to participate in and benefit from India’s economic progress. This is based on the belief that growth and development are effective only when they result in wider access to opportunities and benefit a broader section of society.

**1. Objective**

This Policy has been formulated in compliance with Section 135 of the Companies Act, 2013 read along with the applicable rules thereto.

**2. CSR Vision**

The Company’s CSR philosophy is ‘Do Good to Do Well’. NPPL’s vision is to be a responsible industry leader and demonstrate environmental, transparent and ethical behavioural practices which will contribute to the economic and sustainable development within the company, industry, and society at large. At NPPL, CSR has effectively evolved from being engaged in passive philanthropy to corporate community investments, which takes the form of a social partnership initiative creating value for stakeholders. The Company’s CSR activities build an important bridge between business operations and social commitment evolving into an integral part of business functions, goals and strategy.

**3. Scope**

This Policy shall apply to all CSR projects/programmes/activities undertaken by the Company in India as per Schedule VII of the Act.

**4. Definitions**

1. Corporate Social Responsibility (CSR) means and includes but is not limited to: Projects or programs relating to activities specified in Schedule VII to the Companies Act, 2013 (‘Act’).
2. CSR Committee means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act.
3. CSR Policy relates to the activities to be undertaken by the Company as specified in Schedule VII to the Act and the expenditure thereon.
4. Net Profit means the net profit of the Company as per its financial statement prepared in accordance with applicable provisions of the Act (Section 198), but shall not include the following viz;

- (i) Any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise and
- (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 statements were prepared in accordance with the provisions of the Companies Act, 1956 shall not be required to be re-calculated in accordance with the provisions of the Act.

## **5. CSR Committee**

As per section 135 (9) of the Act, as introduced by the Companies (Amendment) Act, 2020 provides for an exemption from the requirement to constitute a CSR Committee where the amount to be spent by the company under section 135(5) of the Act does not exceed INR 50 lakh in a financial year. In such cases, the functions of CSR Committee as provided under section 135 of the Act shall be discharged by the Board of Directors of such company.

As the obligation to spend amount under the company under section 135(5) of the Act does not exceed INR 50 lakhs in a financial year, the company is not required to form CSR Committee during the FY 2023-24.

## **6. Role of the Board**

- a. To approve the CSR Policy for the Company
- b. Ensure that the CSR activities included in this Corporate Social Responsibility Policy are undertaken by the Company.
- c. The Board of the Company may decide to undertake its CSR activities through a registered trust or a registered society or a Company established under section 8 of the Act by the company, either singly or along with its holding or subsidiary or associate company, or along with any other company or holding or subsidiary or associate company of such other company, or otherwise provided that – If such trust, society or company is not established by the company, either singly or along with its holding or subsidiary or associate company, or along with any other company or holding or subsidiary or associate company of such other company, it shall have an established track record of three years in undertaking similar programs or projects/activities;
- d. Ensure that in each financial year whenever applicable, the Company spends at least 2% of the average net profits of the company made during the three immediate preceding financial years, calculated in accordance with Section 198 of the Act, in pursuance of its CSR policy. Further, while spending the amount earmarked for CSR activities, preference should be given to local areas and areas around the Company where it operates.
- e. As per Section 135 of the Act, specify the reasons for under spending the CSR amount in the Board's Report.

**7. CSR Activities for Implementation**

The CSR Activities would be chosen for implementation by the Company in compliance with the provisions of Section 135 read together with Schedule VII of the Companies Act, 2013.

**8. CSR Monitoring and Reporting Framework**

In compliance with the Act and to ensure funds spent on CSR Activities are creating the desired impact on the ground a comprehensive Monitoring and Reporting framework has been put in place.

The Board shall monitor the implementation of the CSR Policy through periodic reviews of the CSR activities.

The respective CSR personnel will present their annual budgets along with the list of approved CSR activities conducted by the Company to the Board together with the progress made from time to time as a part of the evaluation process under the monitoring mechanism.

**9. CSR Expenditures**

The CSR activities undertaken in India only shall amount to CSR Expenditure.

CSR Expenditure shall include all expenditure including contribution to corpus for CSR activities approved by the Board but does not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act.

**10. Disclosure of the Policy**

The CSR policy recommended and approved by the Board shall be displayed on the Company's website and shall be disclosed in the Board's report as well.

**11. CSR Reporting**

The Board Report of a Company shall include an Annual Report on CSR containing particulars specified in Annexure to the CSR Rules as per the prescribed format.

**12. Miscellaneous**

This policy shall be updated from time to time, by the Company in accordance with the amendments, if any, to the Companies Act, 2013, rules made thereunder or any other applicable enactment for the time being in force.

**Signed and accepted by the Board of Directors of the Company on 19<sup>th</sup> April 2023**

**For Nirmiti Precision Private Limited**

**Sd/-**

**Managing Director**

**Name** : Vivek Sadashiv Kulkarni

**DIN** : 02425391

**Add** : 2, Sahjeevan Colony,  
College Road, Nashik-422005

**Sd/-**

**Director**

**Name:** Swati Vivek Kulkarni

**DIN** : 02425373

**Add** : 2, Sahjeevan Colony,  
College Road, Nashik-422005

**Annexure I**

**Linkage between Nirmiti Precision Corporate Social Responsibility Thrust Areas and Schedule VII**

<b>Major Activities Schedule VII</b>	<b>Nirmiti Precision Pvt Ltd Thrust Areas</b>			
<b>Schedule VII, Section 135 of Companies Act 2013(Final Notification, 27th February 2014)</b>	<b>Education</b>	<b>Health and Sanitation</b>	<b>Livelihood and Skill Building</b>	<b>Water</b>
(i) eradicating extreme hunger and poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water				
(ii) promotion of education; including special education and employment enhancing vocation skills especially among children, woman, elderly and the differently abled and livelihood enhancement projects				
(iii) promoting gender equality and 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 of quality of soil, air and water.				
(v) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up of 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, and Paralympics sports and Olympic sports				

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(viii) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for socioeconomic 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 *				

**\*Will be decided by the Board on case to case basis.**

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### Annexure II CSR Programs along with Schedule

The CSR Programs along-with modality and schedule are given below:

Thrust Areas	Name of CSR Program/ Implementing Agency	Reference Sr. No. Of Schedule VII	Implementation Schedule*			
			Q1	Q2	Q3	Q4
Education	Maharashtra Seva Sangh School	ii,	•	•	•	•
	Association Of Parents Of Mentally Retarded Children		•	•	•	•
Health and Sanitation	Association Of Parents Of Mentally Retarded Children	I, ii,	•	•	•	•
Livelihood and Skill Building		ii	•	•	•	•
Water		I, iv	•	•	•	•

\*Subject to the availability of the desired projects

**Annexure III**  
**Monitoring, Review and Evaluation**

There are 3 levels of Monitoring and Review undertaken for CSR Initiatives:

**Level 1:** Local reviews; dissemination of MIS and exception reports by Execution committees and by the Corporate Social Responsibility committee respectively.

**Level 2:** Senior Leaders review on the progress, effectiveness; action plans and support required

**Level 3:** Board committee on CSR Review on quarterly basis.

There are two kinds of evaluation undertaken: -

- Internal Evaluation - CSR Committee using Community Engagement Index and other tools on annual basis to assess the outcome.
- External Evaluation - It is also undertaken with reputed academic institutions/industry association/consultant/market research agencies once in 3 years to assess the overall impact on community.

**Note:** CSR Committee from time to time will further apprise the Nirmiti Precision Board.

**Budget:** The Budget would be based on at least 2% of average net profit of previous 3 years or as may be amended under law.



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### **Annexure IV CSR Committee**

As per the Companies (Amendment) Act, 2020, notification dated 28th September, 2020, amendment Effective from 22nd January 2021, and as per Section 135 (9) of the Companies Act 2013, the amount to be spent by the Company in FY 2023-24 is not exceeding Fifty Lakhs Rupees, the requirement under sub section (1) of Section 135 of the Companies Act 2013 for the Constitution of the Corporate Social Responsibility Committee shall not be applicable and functions of such committee will be discharged by the Board of Directors of the Company.

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## Annexure V Reporting Framework

1	2	3	4	5		6	7	8	
Sr. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1									
2									
3									
	<b>Total</b>								

1. Brief outline on CSR Policy of the Company – Overview activities to be undertaken & web link of policies, projects & programmes
2. Composition of CSR Committee: Not Applicable to Nirmiti Precision Pvt Ltd as obligation of CSR Spending is not exceeding INR 50 Lakhs
3. Average net profit of the company as per section 135(5).
4. Two percent of average net profit of the company as per section 135(5)
5. Financial Year Spend:
  - a. Total to be Spent
  - b. Amount unspent if any
  - c. Details of spend in table
6. In case of underspend, reasons
7. Signature of MD/ Director

**Annexure VI**

**Geography**

1. The Company will prefer to discharge its CSR obligations in the vicinity of company's offices and installations. The focus of the Company would be to take CSR initiatives in the communities, ranging from those villages/towns/cities around its offices Nashik/Pune/Sanand/ Chennai
2. The Company's initiatives will be aligned to the Nirmiti Precision CSR thrust areas.
3. Nirmiti Precision Pvt Ltd is committed to ensuring that they benefit from the company's presence in their neighbourhood.