CORPORATE SOCIAL RESPONSIBILITY POLICY
(CSR POLICY)

MANAR TOOLS PRIVATE LIMITED

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Manar Tools Private Limited's Policy On Corporate Social Responsibility Policy (CSR)

Objective

The objective of Corporate Social Responsibility Policy ('CSR Policy' or 'Policy' as the context may require) is to lay down the statement containing the approach and direction given by the Board of Directors ("the Board") of Manar Tools Private Limited ('the Company'), and to specifically provide for guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan for undertaking Corporate Social Responsibility ('CSR') activities. This Policy is formulated in compliance with the requirements of Section 135 of the Companies Act, 2013 the ('Act') read with the Companies (Corporate Social Responsibility) Rules, 2014 ('Rules').

Philosophy

The Company is deeply committed to social, ethical, and environmental causes. The company channels its resources into various Corporate Social Responsibility (CSR) initiatives that positively impact society. With a focus on social and environmental responsibility, the Company have consistently contributed towards the activities that benefit communities.

CSR at Manar Tools Private Limited reflects a strong relationship with the communities it serves, aiming to create value for stakeholders. As a responsible corporate entity, the Company upholds high standards of behavior towards its employees, consumers, and society. The company believes that CSR is essential for bringing about meaningful change and improving lives.

In compliance with the Companies Act of 2013, the Company have issued CSR policy that guides the company's ongoing efforts in supporting socially beneficial programs that promote the welfare and sustainable development of society.

Purpose

In line with its commitment to sustainability and social responsibility, the Company strives to integrate ethical business practices while promoting economic growth, skill development, and environmental sustainability. Through its Corporate Social Responsibility (CSR) initiatives, the company aims to support communities, enhance education and skills, drive technological progress, and contribute to sustainable industrial development.

This CSR Policy has been developed in alignment with the company's objectives, principles, and values, reflecting its responsibility as a socially and environmentally conscious corporate entity. The policy outlines the principles and processes for implementing various programs in accordance with Section 135 of the Companies Act, 2013, along with Schedule VII of the Act and The Companies (Corporate Social Responsibility Policy) Rules, 2014, including any subsequent amendments and Gazette notifications (collectively referred to as 'Legal Provisions').

Applicability

The CSR Policy shall apply to all CSR projects undertaken by the Company as per Schedule VII of the Companies Act, 2013.

Focus Area of Engagement

Company in the initial phase will focus on the following areas for CSR projects from amongst the activities specified under Schedule VII of the Companies Act, 2013 and the Rules made thereunder:

A. Education & Skill Development:

- Supporting technical and vocational training programs in the fields of engineering, manufacturing, and industrial automation.
- Providing scholarships, internships, and training opportunities for students and aspiring professionals.
- Collaborating with educational institutions to enhance skill-based learning and employability.

B. Environmental Sustainability & Conservation:

- Promoting eco-friendly manufacturing practices and responsible waste management.
- Supporting initiatives for tree plantation, energy conservation, and carbon footprint reduction.
- Encouraging research and development in sustainable and energy-efficient industrial solutions.

C. Community Welfare & Livelihood Enhancement:

- Engaging in projects that uplift underprivileged communities through employment generation and capacity building.
- Supporting infrastructure development in rural areas, including sanitation, healthcare, and clean drinking water facilities.
- Promoting financial literacy and entrepreneurship to empower local businesses and artisans.

D. Health & Safety Initiatives:

- Conducting health awareness and safety training programs for workers and local communities.
- Supporting healthcare facilities, medical camps, and access to essential medical services.

- Promoting occupational health and safety practices in industrial and manufacturing sectors.

E. Innovation & Technology Advancement:

- Encouraging research, development, and adoption of innovative technologies for industrial efficiency.
- Supporting startups, research institutes, and incubators working in the field of advanced manufacturing.
- Promoting STEM (Science, Technology, Engineering, and Mathematics) education and initiatives.

By aligning its CSR focus areas with societal needs, the Company aims to drive holistic development while fostering innovation, sustainability, and inclusive growth.

CSR Expenditure

The Board will recommend the annual budgeted expenditure which amounts shall be utilized in accordance with the CSR Policy.

CSR expenditure shall include all expenditure including contribution to corpus or on projects or programmes related to CSR activities approved by the Board. It will include contribution to eligible Implementation Agency(ies).

Amount spent on creation or acquisition of capital asset, administrative overheads, impact assessment and other activities not directly connected with the CSR activity shall also be eligible as CSR expenditure, to the extent permissible under the Act / the Rules.

CSR activities shall not include the activities undertaken by the Company in the normal course of business and such other activities as prescribed in the Act and/or the Rules.

Any amount spent in excess of requirement provided under sub-section (5) of section 135, may be set off in succeeding three financial years, in accordance with the provisions prescribed in the Rules.

The surplus, if any, arising out of the CSR projects or programs or activities shall not form part of the business profits of the Company and shall be dealt with in accordance with the provisions prescribed in the Rules.

Budget & Implementation

The Budget shall be arrived at on computation of:

a) The Board of the Company to ensure that minimum of 2% of average net profit of the last 3 years is spent on CSR initiatives undertaken by the company.
b) All expenditure towards the programs to be diligently documented.

c) In case at least 2% of average net profit of the last 3 years is not spent in a financial year, reasons for the same to be specified in the CSR report.
d) Any surplus generated out of the CSR activities not to be added to the normal business profits of the Company.

Thereafter, a specific budget shall be allocated to a specific project activity.

Scope of CSR

The Board shall be responsible for:

- formulating and recommending to the Board the CSR Policy which shall indicate activities to be undertaken in line with Section 135 read with Schedule VII of the Act and the Rules framed thereunder, as amended from time to time.

- recommending to the Board the CSR expenditure to be incurred during a financial year.

- recommending to the Board, modifications to the CSR Policy as and when required.

- regularly monitoring the implementation of the CSR policy

Governance and monitoring

In addition to compliance with the provisions prescribed in the Act and/or the Rules: -

- The Board shall monitor the CSR projects, programs, activities and implementation and execution of the same from time to time and report the same to the Board of Directors on a quarterly basis.

- The Board shall on completion of every financial year, prepare the report of the details of the CSR spent during the financial year and reasons for the actual spent being less than the limits prescribed by the law, if any.

- The Board of Directors shall satisfy itself that the funds disbursed for CSR activities have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.

- The annual report on CSR activities shall form part of Board's Report of the Company.

- The Board shall review changes/editions to be carried out in the policy to the Board from time to time.

- Necessary disclosures relating to the Policy and CSR plan will be disclosed in the Annual Report as required by the relevant rules and regulations.

Policy Implementation

For the effective implementation of the policy, we shall;

- Set CSR targets and track progress against the targets

- Monitor the CSR activities undertaken by the Company either directly or through an implementing agency periodically to assess the impact and value generated for the communities through.

- Review the policy at least annually or when changes occur, and incorporate the updates.

Amendments to the CSR Policy:

The Board of Directors of the Company shall have the powers to revise/modify/amend this Policy from time to time, as the Board may think fit to be made to the CSR Rules by the MCA, under the Act.