MONTANARI LIFTS COMPONENTS PRIVATE LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

(The new Corporate Social Responsibility has been recommended by the Corporate Social Responsibility Committee and has also been approved by the Board of Directors of Montanari Lifts Components Private Limited w.e.f. 1st February 2024)

PREAMBLE:

Montanari Lifts Components Private Limited (the "Company) endeavors to build a dynamic relationship between the Company on one hand and the society and environment on the other. Corporate Social Responsibility (CSR) of Montanari Lifts Components Private Limited is traditionally driven by a moral obligation and philanthropic spirit. Over time it has become an integral part of business. The Company intends to be engaged in charities and philanthropic activities, along with a number of other social activities. The key objective, among other things, is to promote education, fight against hunger, provide medical relief and help in combating chronic disease and addressing environmental issues, overall to help society grow.

1. SHORT TITLE AND APPLICABILITY:

This policy, which encompasses the Company's philosophy of delivering its responsibility as a corporate citizen and lays down the guideline and mechanism fir undertaking socially useful programs for welfare and sustainable development of the community at large, is titled as the "**Montanari Lifts Components Private Limited CSR Policy"**. It has been prepared keeping in mind the Company's business ethics and to comply with the requirements of Companies Act, 2013 (hereinafter called as "the Act") and the Companies (Corporate Social Responsibility Policy) Rules, 2014, notified by the Ministry of Corporate Affairs. This policy shall apply to all CSR initiative and activities taken up at the various locations of the Company, for the benefit of different segments of the Society, especially the deprived, underprivileged and differently abled persons.

2. CSR VISION STATEMENT AND OBJECTIVE:

Corporate Social Responsibility of the Company is a form of corporate self-regulation integrated into a business model. Therefore, the policy will function as a built in, self-regulating mechanism whereby the business will monitor and ensure its active compliance with the spirit of law, ethical standards and international norms. The main objective of the Policy is to establish the basic principles and the general framework of action for the management to undertake and fulfill its corporate social responsibility.

3. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

(a) Composition:

The Corporate Social Responsibility Committee shall consist of three (3) Directors of the Company. Since the provisions of the Appointment of Independent Director are not applicable to the Company, there is no need to have an Independent Director on the Committee.

CSR Committee comprises of three Directors of the Company as stipulated below:

Sr. No.	Name of the Director	Designation
1.	Nicola Da Riol	Chairman
2.	Massimo Giulio Montanari	Member
3.	Vikas Ramesh Patil	Member

Nicola Da Riol, Chairman of the Committee, shall be the Chairman of all CSR Committee meetings. In the absence of Chairman, Chairman for the meeting shall be elected out of Members present at the meeting.

(b) Meetings:

The Committee shall hold meetings as and when required, to discuss various issues regarding the implementation of the CSR Projects in accordance with the Policy of Company.

(c) Quorum:

The quorum for a meeting of the Committee on CSR shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one), or two members, whichever is higher.

(d) Role of CSR Committee:

i. To formulate and recommend to the Board a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of Section 135 of the Companies Act, 2013.
ii. To recommend the amount of expenditure to be incurred on the specified activities in a financial year.
iii. To monitor the Corporate Social Responsibility Policy of the Company from time to time.
iv. To recommend the Board on the guiding principles for selection, implementation and monitoring of CSR activities.
v. To formulate and recommend to the Board an Annual CSR Action Plan in pursuance of its CSR Policy.
vi. To recommend the Board to alter the Annual CSR Action Plan at any time during the financial year based on the reasonable justification to that effect.
vii. Any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.

(e) Role of Board of Directors:

i. The Board of Directors shall, after considering the recommendations made by the CSR committee, approve the CSR Policy and the Annual CSR Action Plan of the Company.

ii. The Board of Directors shall endeavor that the Company spends at least 2% of the average net profits of the Company, as defined under Section 135 of the Companies Act, 2013, made during the 3 immediately preceding financial years in pursuance of its CSR Policy.

iii. The Board may extend a non-ongoing project beyond one year based on reasonable justification.

iv. The Board shall ensure that the CSR activities are undertaken by the Company itself or through a registered and eligible Implementation Agency.

v. The Board of the Company shall satisfy itself that the funds so disbursed 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.

vi. In case of ongoing project, the Board of the Company shall monitor the implementation of the project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the project within the overall permissible time period.

vii. The Board may alter the CSR Annual Action Plan at any time during the financial year, as per the recommendation of its CSR Committee, based on reasonable justification to that effect.

viii. Where the Company spends an amount in excess of requirement, such excess amount may be set off by the Board against the requirement to spend up to immediate succeeding three financial years subject to the conditions that –

- the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any.
- the Board of the Company shall pass a resolution to that effect.

4. RESOURCES:

(a) Funding & Allocation:

For achieving its CSR objectives through implementation of meaningful & sustainable CSR programmes, the Company will allocate 2% of its average net profits made during the 3 immediately preceding financial years as its Annual CSR Budget. The Annual CSR Budget shall be spent on projects / activities as laid down in this Policy. The Company shall take steps to ensure that any surplus arising out of the Company's CSR projects and programmes or activities shall be set aside for later use in CSR projects and programmes and in no event shall form part of the Company's business profits.

Transfer of unspent CSR amount. - Until a separate fund is specified by the Government, the unspent CSR amount, if any, shall be transferred by the Company to a fund specified in Schedule VII of the Act.

5. ACTIVITIES, PLANNING & IMPLEMENTATION

(a) Areas for Activities:

The Company shall identify projects / programmes which will fall in any one or more of the following areas /sectors for its CSR spending:

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 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 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, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows.
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 Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the Central Govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women.
ix. Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government.
x. Rural development projects.
xi. Slum area development.
xii. Disaster management, including relief, rehabilitation and reconstruction activities.

The CSR projects or programs or activities undertaken by the Company as per the Company's CSR Policy in India only shall amount to CSR Expenditure in accordance with the provisions of the Act.

The Company would prefer to take up projects for spending the amount earmarked for CSR at local areas and areas where the Company operates.

All expenses and contributions for CSR activities will be made after approval from the Chairman of the CSR committee, which would then be placed before the forthcoming CSR committee for noting and record. The Chairman will ensure that the expenses/contribution will be in full compliance of the CSR Policy.

(b) Implementing Agency:

The Board shall ensure that the CSR activities are undertaken by the Company itself or through –

i. a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80 G of the Income Tax Act, 1961, established by the company, either singly or along with any other company, or
ii. a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
iii. any entity established under an Act of Parliament or a State legislature; or
iv. a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

6. EXCLUSIONS:

Following shall be excluded from the purview of Corporate Social Responsibility (CSR) namely: -

i. activities undertaken in pursuance of the normal course of business of the Company.
ii. 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.
iii. contribution of any amount directly or indirectly to any political party.
iv. activities benefiting employees of the Company.
v. activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services.
vi. activities carried out for fulfilment of any other statutory obligations under any law in force in India.

7. MONITORING AND EVALUATION:

(a) To ensure effective implementation of the CSR programmes undertaken at various locations, a monitoring and evaluation mechanism will be put in place.
(b) The progress of CSR programmes under implementation at various locations will be reported to corporate office on a periodical basis.
(c) The report on progress on the CSR programe undertaken by the Company will be put forward to the CSR Committee with full details of cost incurred and results achieved on a regular basis.
(d) Project locations will try to obtain feedback from beneficiaries about the programmes implemented at the area.
(e) Appropriate documentation of the Company's CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis.
(f) CSR initiatives of the Company will be reported in the Annual Report & the Board's Report in compliance with Section 135 pf the Act and rules made thereunder.

8. GENERAL:

In case of any doubt with regards to any provision of the policy and in respect of matters not covered herein, a reference to be made to CSR Committee. In all such matters, the interpretation & decision of the Committee shall be final. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued by the Government from time to time. The CSR Committee reserves the right to modify, add, or amend any of the provisions of this Policy subject to approval of the Board.

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