HOLMARC OPTO-MECHATRONICS LIMITED
Registered Office: BUILDING NO. 11 / 490, B 7, HMT INDUSTRIAL ESTATE, KALAMASSERY, KANAYANOOR TALUK, ERNAKULAM, KERALA- 683503
Tel No: 0484-2953780/81
EMAIL: CS@HOLMARC.COM

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

1. BACKGROUND

This Policy is framed pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time. This Policy has been formulated and approved by the Board of Directors at its meeting held on 05th August 2026.

Holmarc Opto-Mechatronics Limited is engaged in the design, development and manufacture of scientific, optical, photonics, electronics and engineering equipment catering to educational institutions, research organizations and industrial establishments. The Company recognizes its responsibility towards society and seeks to contribute meaningfully through sustainable CSR initiatives.

2. VISION

To contribute towards building an inclusive and knowledge-driven society by supporting education, scientific learning, skill development, innovation and sustainable community development.

3. DEFINITION

(i) “Act” means the Companies Act, 2013.

(ii) “Board of Directors” or “Board” means the collective body of the directors of the company.

(iii) “Company” means “Holmarc Opto-Mechatronics Limited.”

(iv) ‘Corporate Social Responsibility (CSR)’ means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in the rules made thereunder

(v) “CSR Committee” means Corporate Social Responsibility Committee constituted by the Board of Directors of the company.

(vi) “CSR Policy” means CSR Policy of Holmarc Opto-Mechatronics Limited.

(vii) “CSR Rules” means the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time.

(viii) “Implementing Agency” means any entity registered with Ministry of Corporate Affairs for undertaking CSR projects, which is engaged by the company to implement various projects in pursuance of CSR Policy.

(ix) “Net Profits” means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act subject to adjustment as per Section 135 of the Act and Rules made thereunder.

(x) “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;

(xi) "Schedule VII" means Schedule VII to the Companies Act, 2013 as amended from time to time.

Any term used in this policy but not defined herein shall have the same meaning assigned to them under the Act and CSR Rules as applicable to the company.

4. CSR COMMITTEE CONSTITUTION

As the Company's CSR obligation does not exceed the threshold prescribed under Section 135(9) of the Companies Act, 2013, the functions of the Corporate Social Responsibility (CSR) Committee shall be discharged by the Board of Directors.

In the event the Company becomes liable to constitute a CSR Committee under the applicable provisions of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, the Board of Directors may constitute or reconstitute the CSR Committee in accordance with the applicable statutory provisions. The Committee so constituted shall exercise such powers and perform such functions as are prescribed under Section 135 of the Companies Act, 2013, the Rules made thereunder, and as may be delegated by the Board from time to time.

5. FUNCTIONS OF THE BOARD

i. Draft the CSR policy and indicate the activities to be undertaken by the company.
ii. Approve the amount of expenditure to be incurred as CSR activities.
iii. To formulate annual action plan in pursuance of CSR Policy covering the following aspects:
    (i) the list of approved CSR projects or programs to be undertaken in areas or subjects specified in Schedule VII to the Act;

(ii) the manner of execution of such projects or programs as specified in rule 4(1) of CSR Rules;
(iii) the modalities of utilisation of funds and implementation schedules for the projects or programs;
(iv) monitoring and reporting mechanism for the projects or programs; and
(v) details of need and impact assessment, if any, for the projects undertaken by the company;

iv. Monitor the Corporate Social Responsibility Policy of the company from time to time.
v. Review any new CSR initiatives to be taken up by the company.
vi. Review the progress of CSR projects already undertaken by the company and the utilization of budgets for each such projects.
vii. Review the CSR report to be included in the board's report.
viii. Review any amendments to be made in the CSR policy of the Company.
ix. To carry such other functions as may be required relating to CSR activities of the company.

6. CSR AVTIVITIES

Company shall undertake CSR activities for development of the society and the environment, particularly in the vicinity of the areas where the facilities of the company are located.

A. The company shall undertake such activities which are broadly related to any of the following:

(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and sanitation including contribution to the Swachh 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 recognised 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) (a) 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; and

(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

(x) rural development projects.

(xi) slum area development.

(xii) disaster management, including relief, rehabilitation and reconstruction activities.

(xiii) Subscription to zero coupon zero principal instruments on Social Stock Exchange.

(xiv) any other activities specified in Schedule VII of the Companies Act, 2013 or otherwise specifically permitted by the government as eligible CSR activities under the applicable law from time to time.

7. FOCUS AREAS

While the company may undertake CSR activities in any areas listed above, however, at present, it proposes to undertake the relevant activities on priority basis in the following focus Areas:

i. Promotion of Education and Scientific Research – Supporting educational institutions, universities, research organisations and initiatives promoting scientific learning, research, innovation and STEM education.

ii. Skill Development – Supporting technical education, vocational training and capacity-building programmes to enhance employability and technical skills.

iii. Community Development – Undertaking initiatives for the welfare and development of communities, particularly in and around the areas where the Company operates.

iv. Healthcare and Sanitation – Supporting programmes relating to preventive healthcare, sanitation, safe drinking water and public health.

v. Environmental Sustainability – Promoting environmental conservation, energy efficiency, waste management and other sustainable development initiatives.

8. CSR EXPENDITURE

The company shall endeavor to achieve the objectives of CSR Policy and allocate every year:

a. Minimum 2% of its average net profits made during the three immediately preceding financial years

b. Any income or surplus arising out of the CSR activities, projects or programs shall not form part of the business profit of the company and the same shall be ploughed back for use in CSR activities

All the expenditure relating to CSR shall be pre-approved by the Board. The CFO shall monitor the utilization of funds for the purposes set forth and certify to this effect.

Administrative overheads in pursuance of CSR activities or projects or programs shall not exceed the thresholds prescribed under the Act.

If the company fails to spend the CSR amount, the Board shall, in its report made under of sub-Section 134, specify the reasons for not spending the amount and unless the unspent amount relates to any ongoing project, such unspent CSR amount, shall be transferred to separate account in accordance with the applicable CSR Rules from time to time.

9. ANNUAL ACTION PLAN

The Board shall formulate an annual action plan which shall include the following:

(a) the list of CSR projects or programmes that are approved and to be undertaken by the company 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 of Directors are empowered to alter the annual action plan during the financial year, based on the reasonable justification for such change.

10. SELECTION AND IMPLEMENTATION OF CSR PROJECTS

A. SELECTION OF CSR PROJECTS

The following factors can be taken into consideration:

(a) Alignment of the project with the focus area specified in this CSR Policy;

(b) Impact on the society/community at large and the environment;

(c) Inclusive growth;

(d) Sustainability of the projects to ensure long term impact;

(e) Timeframe within which the project can be completed; and

(f) Key beneficiaries of the project and the impact on them.

B. IMPLEMENTATION OF CSR PROJECTS

CSR programs, projects or activities of the company should be implemented through following methods:

i. Directly by the company;

ii. Implementing Agencies;

iii. Any foundation or body incorporated by the company and eligible to undertake such CSR projects.

iv. in collaboration with other organizations/group companies while the company can engage suitable Implementing Agencies to undertake approved CSR projects. The company can also partner with local governance bodies, such as Gram Panchayats, Civic Bodies, Municipality to directly undertake approved CSR projects with the help and support of these bodies.

11. MONITORING AND REPORTING

The Board shall monitor the implementation and progress of CSR projects periodically. In case of ongoing project, the Board of a 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. The status of CSR activities and utilization of funds shall be reviewed at appropriate intervals and disclosed as required under applicable law.

The Board's Report of the company as per Section 134 of the Act shall include an annual report on CSR containing particulars as prescribed under the Act.

12. NEED AND IMPACT ASSESSMENT

(a) In case the company is having average CSR obligation of ten crore rupees or more in the three immediately preceding financial years, it shall undertake impact assessment, through an independent agency, of the CSR projects having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study;

(b) The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

(c) A Company undertaking impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed two percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is higher.

13. CAPITAL ASSETS

The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by -

(a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or

(b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or

(c) a public authority.

The company should take appropriate measure to ensure that such assets are utilized for the purpose it was meant for and should not be transferred or disposed off without prior permission of the company.

14. INFORMATION DISSEMINATION

CSR Policy and projects approved by the Board shall be disseminated on website for public access and shall be published in the Annual Report on CSR, in the format prescribed under the Act and CSR Rules.

15. REVIEW

This policy shall be reviewed by the Board, at least once in three years and changes or amendments to the policy, pursuant to any circular/notification/guideline issued by the government or any other competent authority, from time to time, shall be approved by the Board.

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