



CORPORATE SOCIAL RESPONSIBILITY POLICY

[AS AMENDED VIDE BOARD RESOLUTION DATED 31st March, 2022]

KAAR TECHNOLOGIES INDIA PRIVATE LIMITED

**Registered office : No.136, Arcot road, 8th Floor, Shyamala towers,
Saligramam chennai tn 600093**

POLICY STATEMENT

We, KAAR TECHNOLOGIES INDIA PRIVATE LIMITED ["the Company"] are committed to:

- a) Continuous improvement in our Corporate and Social Responsibility (CSR) strategy;
- b) Encouraging our business partners to strive for matching performance;
- c) Assuring all third parties who are undertaking Company sponsored CSR work conduct their business in a manner that is consistent with the principles set out in this policy, in our Standard for the Prevention of Bribery and Corruption and in our Code of Conduct;
- d) Acting in a socially responsible way, adhering to our ethical standards and to the obligations placed upon us by the social and ethical expectations of our stakeholders and the legal and regulatory requirements of the country;
- e) Developing processes to implement this policy and receive assurance that it is being adhered to throughout our CSR project operations.

1. OBJECTIVES

The objective of the CSR policy ("Policy") of the Company is to lay down guidelines for proper execution of CSR activities of the Company so as to support the sustainable development of the society. The Company has set up KAAR Arakattalai [CSR00006906], a public charitable trust registered under section 12AA of Income tax act, 1961 on 21st January 2009 which will primarily focus on implementation of the CSR activities of the Company.

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2. APPLICABILITY AND SCOPE

- 2.1 This CSR Policy of the Company has been framed in accordance with and to comply with the applicable provisions of the Companies Act, 2013 and its amendments from time to time ("Act") and the rules issued there under.
- 2.2 Notwithstanding anything to the contrary contained in this CSR Policy but subject to applicable law, in the event the Company fails to meet the thresholds set out under Section 135(1) of the Act for three consecutive financial years, it shall not be required to:
- a. Constitute/maintain the CSR Committee; and
 - b. Comply with the provisions of this CSR Policy
- till such time as it again meets the criteria specified in Section 135(1) of the Act.
- 2.3 The Company will integrate the CSR and Sustainability plans and strategies with the business plans and strategies. The Projects / Activities in areas or subjects, specified in Schedule VII of the Companies Act, 2013 (**Annexure A**) will be taken up by the Company and any amendments made in the Companies Act, 2013 thereto will be adopted accordingly. Any other Project / activity not falling in areas or subjects, specified in Schedule VII of Companies Act, 2013 ("the Act"), will not be considered as a CSR Project / activity and the amount spent therein will not be accounted for CSR Expenditure of the Company.

3. DEFINITIONS

- 3.1 "CSR Committee" means a committee constituted by the Board of Directors of the Company as per Section 135 of the Act and the CSR Rules;
- 3.2 "CSR Activities" means the activities undertaken by the Company in pursuance of its statutory obligation laid down in section 135 of the Companies Act, 2013 in accordance

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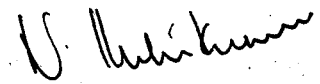
with the provisions contained in the Companies (Corporate Social Responsibility Policy) Rules, 2014 as amended from time to time;

- 3.3 "Administrative overheads" means the expenses incurred by the Company for 'general management and administration' of Corporate Social Responsibility functions in the Company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or program;
- 3.4 "Net profit" means the net profit of the Company as calculated in accordance with the provisions of section 198 of the Act, but shall not include the following, namely: -
- (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;
- 3.5 "Ongoing Project" means a multi-year project undertaken by the Company in fulfillment 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;
- 3.6 "Local area" means area around, where the Company operates.

4. CSR COMMITTEE

- 4.1 The CSR Committee shall be responsible for providing recommendations to the Board with respect to CSR Activities and the amount of expenditure to be incurred on such activities that may be undertaken by the Company in accordance with the Act, CSR Policy and the CSR Rules.
- 4.2 The CSR Committee shall consist of at least two or three directors of the Company as the case may be. The number of members of the CSR Committee and their powers and functions can be specified, varied, altered or modified from time to time by the Board, subject to the provisions of the applicable law.


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- 4.3 The CSR committee shall formulate and recommend the CSR policy to the Board. The CSR committee shall also monitor the CSR policy of the Company from time to time and recommend amendments to the CSR policy as and when required to the Board for approval.
- 4.4 The CSR Committee shall formulate and recommend to the Board, 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 as specified in sub-rule (1) of rule 4 of Companies (CSR Policy) Rules, 2014;
 - c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - d) effective and transparent 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;
- 4.5 Provided that Board may alter such plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.
- 4.6 Where at any time all the members of the Board are also members of CSR Committee, the Board shall take charge of the powers and function of the CSR committee in accordance with the Act, CSR Policy and the CSR Rules. No separate meeting of CSR committee is required to be convened in such cases.
- 4.7 Where at any time all the members of the Board are not members of CSR Committee, CSR committee may meet, as and when required at the registered office of the Company or at any other place as may be mutually agreed by the members of the CSR Committee either physically or through video conferencing or other audio visual means.

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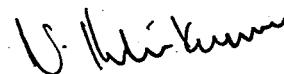
5. BUDGET & APPROVAL

- 5.1 The budget allocation for the CSR Projects shall be at least 2% of the Average Net Profits of the Company made during the three immediately preceding financial years.
- 5.2 The budget for CSR Projects/activities will be sanctioned by the CSR Committee at the beginning of the financial year.
- 5.3 The budget allocated for CSR Projects/activities planned for each financial year is expected to be spent within that year.
- 5.4 The Board shall satisfy itself that, the funds so disbursed have been utilized for the purposes and in the manner approved by it and the Chief Financial Officer or the person responsible for financial management, shall certify to that effect at the end of every financial year.
- 5.5 The Board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the Company for the financial year.

6. IMPLEMENTATION AND REVIEW PROCESS

- 6.1 The Board shall be responsible for implementing the CSR Policy and shall ensure that the CSR Activities are carried out in accordance with the CSR Policy read along with the Act and CSR Rules.
- 6.2 The Board, wherever possible shall give preference to the Local area and areas around, where the Company operates, for spending the amount earmarked for Corporate Social Responsibility activities. However, as per the rules the preference to local area in the Act is only directory and not mandatory in nature and companies need to balance local area preference with national priorities.

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

- (a) 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 (43 of 1961), established by the Company, either singly or along with any other company, or
- (b) 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
- (c) any entity established under an Act of Parliament or a State legislature; or
- (d) 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.

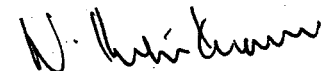
(the entities referred to under sub-clause (a) and (d) above, are hereinafter referred to as "Implementing Agencies").

6.4 In case of ongoing project, the Board 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

6.5 The Board shall delegate the following authorities to the CSR Committee:

- a) to approve the annual action plan;
- b) to monitor the implementation of the on-going project with reference to the approved timelines and year-wise allocation and make modifications, if any, for smooth implementation of the project within the overall permissible time period;
- c) to finalize and approve various agreements, deeds, writings, confirmations, undertakings or other documents, as may be necessary, with any party including Implementing Agencies and/or others for the purposes of the CSR Policy and accept modifications, changes and amendments to any such documents/ agreements as it may deem fit.

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- 6.6 The Board shall review periodical reports of the progress on the CSR Activities.
- 6.7 In case the minimum CSR Expenditure is not met, CSR Committee shall provide a detailed report listing the reasons to the Board, and the Board shall include the same in the Board of Directors report.

7. KAAR ARAKATTALAI:

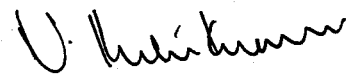
- 7.1 KAAR Arakattalai [CSR00006906], is a public charitable trust registered under section 12AA of Income tax act, 1961 on 21st January 2009 by the Company. The Board shall ensure that the CSR activities are undertaken by the Company through KAAR Arakattalai or any other **Implementing Agencies**.
- 7.2 The Board shall execute a separate Project portfolio sheet for each CSR project approved by the CSR Committee and Board to be assigned to KAAR Arakattalai or any other **Implementing Agencies**.
- 7.3 KAAR Arakattalai or any other **Implementing Agencies** undertaking CSR projects of the company shall give periodical reports on the progress on the CSR Activities.
- 7.4 KAAR Arakattalai or any other **Implementing Agencies** undertaking CSR projects of the company shall give project completion certificate and fund utilization certificate upon completion of the CSR Project.

8. DEFICIT AND SURPLUS OF THE CSR FUND

- 8.1 Where the Company spends an amount in excess of requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that –

- (i) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in pursuance of sub-rule (2) of this rule.

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(ii) the Board shall pass a resolution to that effect.

- 8.2 Any surplus arising out of the CSR activities shall not form part of the business profit of the Company and shall be ploughed back into the same project or shall be transferred to a separate account to be maintained as "the Unspent Corporate Social Responsibility Account" by the Company and shall be spent in pursuance of CSR Policy and annual action plan of the Company or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year or within the extended period as specified by the Ministry of Corporate Affairs from time to time.
- 8.3 Any amount remaining unspent relating to any project other than an ongoing project, shall be transferred to a Fund specified in Schedule VII within a period of 6 months of the expiry of the financial year or within the extended period as specified by the Ministry of Corporate Affairs from time to time.
- 8.4 Any amount remaining unspent pursuant to any ongoing project, shall be transferred within a period of 30 days from the end of the financial year or within the extended period as specified by the Ministry of Corporate Affairs from time to time, to a special account to be opened in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, as mentioned in clause 7.2 above, and such amount shall be spent by the Company in pursuance of its obligation towards CSR Policy, within a period of 3 financial year from the date of such transfer, failing which, the amount shall be transferred to a Fund specified in Schedule VII within a period of 30 days from the date of completion of the third financial year or within the extended period as specified by the Ministry of Corporate Affairs from time to time.
- 8.5 If the Company fails to spend the allocated budget, the Board shall, in its Report, specify the reasons for not spending the amount.

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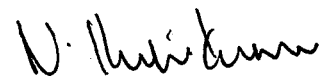
9. REPORTING AND RECORD KEEPING

- 9.1 The Board's report of the Company shall include an annual report on CSR containing the particulars set out in **Annexure B** to this CSR Policy and such other details as may be prescribed from time to time under the Act and the CSR Rules.
- 9.2 The Board will be responsible to ensure that the composition of the CSR Committee and CSR Policy and Projects approved by the Board are also made available on the website (if any) of the Company.
- 9.3 The Board will also be responsible to ensure that in case of failure to ensure the minimum CSR Expenditure, detailed reasons for the same are adequately disclosed in the Board of Directors Report.

10. AMENDMENT

- 10.1 The Board may from time to time, subject to compliance with applicable law, alter, amend or modify the CSR Policy as it deems fit to comply with the statutory obligation of the Company to undertake the CSR Activities.
- 10.2 This policy is amended vide Board resolution dated 31st March, 2022 and shall be effective from the same date.

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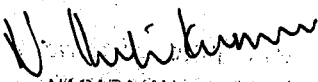
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Annexure A
Schedule VII
(See Section 135)

Activities which may be included by companies in their Corporate Social Responsibility Policies Activities relating to:—

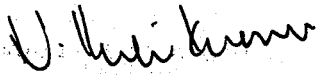
- (i) eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- (ii) promoting education, 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 48 including contribution to the Clean Ganga Fund setup 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) measure for the benefit of armed force veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;

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- (vii) training to promote rural sports, nationally recognized sports, Paralympic sports and Olympics sports;
- (viii) contribution to the Prime Minister's National Relief Fund or Prime Minister's Central Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Schedule 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 Defence 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). Defence Research and Development Organisation (DRDO); Department of Biotechnology (DBT);
- (c) 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.

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Explanation. - For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

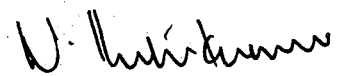
- (xii) disaster management, including relief, rehabilitation and reconstruction activities.

Note: (a) Spending of CSR funds for carrying out awareness campaigns/ programmes or public outreach campaigns on Covid-19 Vaccination programme, is an eligible CSR activity under Clause (i), (ii) and (xii) as indicated above.

(b) Spending of CSR funds for creating health infrastructure for Covid care including setting up makeshift hospitals and temporary Covid care facilities, establishment of medical oxygen generation and storage plants, manufacturing and supply of oxygen concentrators, ventilators, cylinders and other medical equipment for countering Covid-19 or similar such activities are an eligible CSR activity under Clause (i) and (xii) as indicated above.

(c) The Company may undertake the activities or projects or programmes related with creating infrastructure for Covid care, establishment of medical oxygen generation and storage plants etc. in consultation with State Governments, using CSR funds, directly itself or in collaboration as shared responsibility with other companies, subject to fulfilment of Companies (CSR Policy) Rules, 2014 and the guidelines issued by the Ministry of Corporate Affairs from time to time.

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Annexure B

**ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR
FINANCIAL YEAR COMMENCING ON OR AFTER 1ST DAY OF APRIL 2020.**

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. Brief outline on CSR Policy of the Company:
2. Composition of CSR Committee:


Sl. No	Name of the Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
*NIL				

* The Company is in the process of initiating effective steps for constituting CSR committee

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company.
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)
5. Details of amount available for set off in pursuance of sub rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sl. No	Financial Year	Amount available for set-off from preceding financial year (in Rs)	Amount required to be set off for the financial year, if any
-	-	-	-

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1. Average Net profit of the Company as per section 135(5):
2. (a) Two percent of average net profit of the company as per section 135(5):
 - (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial year:
 - (c) Amount required to be set off for the financial year, if any:
 - (d) Total CSR obligation for the financial year (7a+7b-7c):
3. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Amount as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second provisio to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
NIL	NIL	NIL	MIL		

(b) Details of the CSR amount spent against ongoing projects for the financial year -

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (yes or no)	Location of the project	Project Duration	Amount allocated for the project (in Rs.)	Amount spent in the current financial year (in Rs.)	Amount transferred to unspent CSR Account for the project as per Section 135(6) in Rs.)	Mode of Implementation Direct (yes/No)	Mode of implementation Through implementing Agency

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				State	District						Name	CSR Registration Number
	Total											

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl.No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (yes or 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

(d) Amount spent in Administrative overheads --

(e) Amount spent on Impact Assessment, if applicable --

(f) Total amount spent for the Financial Year (8b+8c+8d+8e):

(g) Excess amount for set off, if any --

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the Company as per section 135(5)	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	

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(iv)	Surplus arising out of the CSR projects or programs or	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	


4. (a) Details of Unspent CSR amount for the preceding three financial years:-

Sl. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if			Amount remaining to be spent in
				Name of the Fund	Amount (in Rs.)	Date of transfer	
1.							
	TOTAL						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): -

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No	Project ID	Name of the Project.	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project- Completed /Ongoing
	TOTAL							

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5. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

- (a) Date of creation or acquisition of the capital asset(s).
- (b) Amount of CSR spent for creation or acquisition of capital asset.
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

6. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) :

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