



# **CSR POLICY**

## **LKR TECHNOLOGIES PRIVATE LIMITED**

### **CIN:**

## **CORPORATE SOCIAL RESPONSIBILITY POLICY OF LKR TECHNOLOGIES PRIVATE LIMITED (“The Company”)**

### **I. PREAMBLE**

1.1 For the benefit of society, corporate social responsibility, or "CSR," has been a priority for all corporations. In order to fulfill its obligation as a responsible corporate resident of India, the company has always made an effort to contribute in every manner that it can.

1.2 The paper outlines the company's CSR policy.

1.3 CSR is given even more attention by the Companies Act, 2013 ("the Act") and the Companies (Corporate Social Responsibility Policy) Rules 2014 ("the Rules"), which include guidelines on the minimum amount of money that should be spent on CSR, the reporting process, the review structure, and reporting to the company's shareholders. At the board level, a CSR Committee has been established to supervise the company's CSR initiatives.

1.4 Outlining CSR emphasis areas, suggesting CSR expenditure levels, the execution method, evaluation and monitoring mechanisms, and the reporting procedure to the company's management and board of directors are the goals of this policy.

1.5 This CSR Policy aims to outline its philosophy, guiding principles, and areas of focus for promoting CSR for both internal and external stakeholders. This CSR Policy is a forward-looking document that lays forth the guidelines and principles around which the company's CSR operations will be constructed.

### **II. PHILOSOPHY, OBJECTIVES AND AREAS OF FOCUS**

By supporting causes on a range of issues, such as promoting education, health, the environment, sports, employment, and women's empowerment, among other activities allowed by Schedule VII of the Act and as may be approved by the Board, the company is dedicated to creating a sustainable business with strong social relevance and supporting inclusive growth.

By collaborating with communities to empathetically enhance their overall well-being, the company hopes to proactively interact with society through CSR.



### **III. LAWS AND STATUTES**

This CSR Policy outlines the company's stance on corporate social responsibility and is independently justified by the company's philosophy and business goals, but it also has a connection to the legal requirements set forth in the Companies Act of 2013 and its implementing regulations.

In that regard, the following laws and regulations are in line with and governed by the CSR Policy:

- A. The Act's Section 135;
- B. The Rules;
- C. Schedule VII of the Act; and
- D. Periodically published general circulars by the Ministry of Corporate Affairs

### **IV. RESPONSIBILITY OF THE BOARD OF DIRECTORS**

The Board of Directors (the "Board") will be in charge of the following:

- a. Adopting the CSR Policy that the CSR Committee has suggested after the changes as determined by the Board.
- b. Include the policy's contents on the Company's website and disclose them in the "Board Report."
- c. Assure the implementation of the CSR Policy's suggested actions.
- d. As mandated by Section 135 of the Companies Act 2013 and the Rules, the Company must spend, in each fiscal year, at least 2% of its average net earnings from the three fiscal years prior, as soon as the Company is profitable.
- e. If the Company doesn't spend the money as stated above, the Board must explain why in its Board Report and, unless the money is part of an ongoing project mentioned in Section 135(6) of the Act, transfer it to a fund listed in Schedule VII within six months of the fiscal year's end. With the caveat that if the business spends more than is required by section 135 subsection (5), the extra amount may be deducted from the amount that must be spent under section 135 subsection (5) up to immediately following three fiscal years, provided that (i) any surplus resulting from CSR activities is not included in the excess amount eligible for set-off. (ii) A resolution to that effect must be passed by the company's board of directors.
- f. Any money left over from any ongoing project the company is working on in accordance with its CSR policy must be transferred by the company within 30 days of the end of the fiscal year to a special account that it will open in that regard for that fiscal year at any scheduled bank. This account will be called the Unspent CSR Account. The money must be spent by the company in accordance with its



commitment to the CSR policy within three fiscal years of the date of the transfer; if not, it must transfer it to a fund listed in Schedule VII within 30 days of the end of the fiscal year.

g. Make sure that the administrative costs don't surpass 5% of the company's overall CSR spending for the fiscal year.

h. Verify that the money distributed has been used for the reasons and in the way that it has authorized, and the Chief Financial Officer or the individual in charge of financial management must attest to this.

i. Keep an eye on how the ongoing project is being carried out in relation to the authorized schedules and year-by-year allocation. If necessary, make adjustments to ensure that the project is completed smoothly and within the allotted time frame.

## **V. CSR COMMITTEE**

### **➤ Constitution of CSR Committee**

In accordance with Section 135 of the Act and the Rules, the Company's Board of Directors established a corporate social responsibility committee, or "CSR Committee."

The Board will have the authority to decide whether to amend the CSR Committee's constitution or not.

The Board Report and, if available, the company's website will reveal the CSR Committee's membership.

### **➤ Responsibilities of CSR Committee**

a. To create and suggest CSR policy to the Board, including suggesting changes and revisions.

b. To suggest yearly budgets for CSR initiatives and activities to the Board.

c. Determine the areas that require CSR activities and suggest to the Board how much money should be spent on them.

d. To create and implement a CSR reporting system in accordance with Section 135 of the Act and Rule 8 of the Rules;

e. To guarantee that the company's corporate website shows the members of the CSR Committee, the CSR Policy, and the projects that have been approved by the board of directors;

f. to periodically review the CSR policy, projects, and programs;



- g. to report to the board on all issues outlined in this policy;
- h. To create and suggest to the Board an annual action plan in accordance with its CSR policy, which should comprise the following:
  - (i) a list of CSR projects or programs that have been authorized to be carried out in the areas or subjects listed in Schedule VII of the Act;
  - (ii) the manner in which such projects or programs are to be carried out as outlined in the CSR Rules;
  - (iii) the methods for allocating funds and the schedules for their implementation;
  - (iv) a system for project or program monitoring and reporting; and
  - (v) information about the need and impact assessment, if any, for the company's projects:

Additionally, the CSR Committee will have the power to seek counsel and support from outside or internal legal, accounting, and other experts.

International organizations may be hired by the CSR Committee to help with the planning, execution, and assessment of CSR initiatives or programs as well as to help them develop their own CSR-capable staff.

In order for the CSR committees of the individual firms to be able to report independently on such projects or programs in compliance with the CSR regulations, the CSR committee may also work with other companies to undertake projects, programs, or CSR activities.

- Meetings of CSR Committee: The CSR Committee is required to convene at least once year.
- Composition of the CSR Committee: At least two (2) directors of the Board will serve as members of the CSR Committee, appointed in compliance with the provisions of the Companies Act of 2013 (the members of the CSR Committee will be referred to as "Members" both collectively and individually).
- Quorum: The CSR Committee must have a minimum of two (2) members in order to have a quorum.
- Voting: Every member will have one vote. The majority of those present and voting must approve every proposal that is brought before the CSR Committee. Instead of holding a meeting, the CSR Committee may alternatively act with the simple majority of members' written permission provided it is circulated.
- Invitees: The Committee has the authority to invite anybody it deems suitable to attend CSR Committee sessions, although occasionally it may also convene without any company officials present.



- Notice, circulation of agenda, supporting papers and resolutions: The Companies Act of 2013 will govern all communications to the CSR Committee. All members must receive the agenda materials, necessary supporting documentation, and resolution at least seven (7) days prior to the pertinent meeting; however, a simple majority of members may agree to waive this requirement. All members should receive a resolution that is suggested to be passed by circulation together with the required documents.
- Minutes: The CSR Committee members should receive the draft minutes for review and approval within fifteen (15) days of the pertinent meeting, and never after the maximum amount of time allowed by the relevant laws.
- Records: The minutes of the proceedings must be kept strictly confidential by the secretary of the CSR Committee for a minimum of three years, unless the law requires them to be kept for a longer time.
- Confidentiality: Even after their duties and the term of this CSR Committee are over, the members and other attendees of the CSR Committee are required to maintain confidentiality and secrecy regarding any documents or information they may receive, the discussions that take place, and any confidential information or secrets of business operations that come to their attention through their CSR Committee tasks. This obligation to maintain confidentiality will endure forever and will always be subject to applicable laws and regulatory, administrative, and/or judicial orders.

## **VI. GEOGRAPHIES AND BENEFICIARIES**

### **Geographies**

When allocating the funds designated for CSR initiatives, the company will prioritize the local communities surrounding its business. The company may occasionally elect to carry out CSR initiatives in any other region in India.

### **Beneficiaries**

The following groups might be the recipients of the company's CSR initiatives:

- Education;
- Sports;
- Health;
- Environment;
- Others—the general public



## **CSR Activities**

The Company's CSR activities must be in the projects or areas listed in Schedule VII of the Act, as well as in projects or areas that have been approved by the CSR Committee in accordance with relevant legislation.

## **VII. CSR FUNDING AND CSR EXPENDITURE**

**CSR Budget:** As long as the business is profitable, it will set aside 2% (two percent) of its average net income from the three fiscal years prior.

**CSR Expenditure Funds:** In order to get the Board's permission, the CSR Committee will submit the Proposed Implementation Plan, which will include the estimated CSR expenditure to the company as well as action actions and procedures.

**Implementation Plan:** The CSR Committee will allot the CSR Expenditure Funds for implementation when the Board of Directors of the Company approves the Final Implementation Plan.

**Declaration:** Any excess or extra money made by the company's CSR initiatives will not be included in its commercial profits; instead, it will be used exclusively to fund the company's CSR initiatives.

## **VIII. MONITORING PROCESS OF CSR ACTIVITIES**

To guarantee on-track execution, the company will regularly monitor all of its projects at least once a year.

In the event of an ongoing project, the Board will oversee its execution in accordance with the authorized schedules and year-by-year allocation, and it will have the authority to make any necessary adjustments to ensure that the project is carried out smoothly and within the allotted time frame.

The Chief Financial Officer or the person in charge of financial management must attest that the funds have been used for the purposes and in the manner that the Board has approved.

The Board will also publish the CSR Policy and an annual report on CSR activities in accordance with applicable laws.

## **IX. EFFECTIVE DATE**

As soon as the Board of Directors approves it, the CSR Policy will go into force.





## **X. AMENDMENTS TO THE CSR POLICY**

The CSR policy may be modified to conform to evolving requirements or modifications in the legal and regulatory environment. Any changes to the Policy must be authorized by the Board based on the CSR Committee's recommendation.

## **XI. REPORTING OF CSR**

An annual report on CSR that includes details outlined in the applicable CSR regulations must be included in the Board Report.

An independent agency must conduct an impact assessment of the company's CSR projects with expenditures of INR 1 crore or more that were finished at least a year prior to the impact study if the company's average CSR obligation during the three fiscal years prior was INR 10 crore or more. The impact assessment reports will be presented to the Board and included as an appendix to the CSR annual report.

## **XII. DISCLOSURE**

The Board Report and, if applicable, the Company's website will both reveal the provisions of the authorized CSR Policy.





## Composition of the CSR Committee - LKR Technologies Private Limited

Member	Designation
Mr. Lakshmikanth Reddy	Chairperson
Mr. Jashwanth	Member