

CSR POLICY OF AAA

1. Objectives of the CSR Policy:

The CSR Policy recognizes that Corporate Social Responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged. The company shall positively impact and influence its employees and partners in fostering a sense of social commitment for their stakeholders.

2. Scope and Applicability:

This Policy is applicable across Adithya Automotive Applications Private Limited.

3. CSR Approach:

Adithya Automotive Applications Private Limited vision is “to add value to local communities and redefine corporate citizenship through effective CSR activities”. The company has always endeavoured to conduct its business responsibly, mindful of its social accountability, respecting applicable laws and with regard for human dignity. The company’s long-term CSR objective is “to improve the quality of life of the communities we serve locally through long term value creation for all stakeholders”.

The company shall allocate at least 2% of its average net profits before taxes of the preceding three years, towards CSR activities to sustain and improve a healthy and prosperous environment and to improve the quality of life of the communities it serves. All CSR projects will be in line with the CSR vision, as well as areas listed in Schedule VII of the Companies Act, 2013. It will not include the activities undertaken in pursuance of normal course of business of the Company, projects benefiting the employees or contributions of any amount directly or indirectly to any political party.

All CSR activities will be either spent by the Company directly on any specific project or may be spent through implementing partners which include a company established under Section 8 of the Companies Act, 2013; or a registered public trust or a registered society having an established track record of at least three years in undertaking similar activities for which the grant is being given. These organizations would need to be registered under Section 12A and 80G of the Income Tax Act, 1961. The above entities shall register with the Central Government by filing the form CSR-1 electronically with the Registrar, with effect from April 01, 2021. CSR spending will not include activities supported on sponsorship basis for deriving marketing benefits for its products or services of activities carried out for fulfillment of any other statutory obligations under any law in force in India.

The Company’s focus areas for developmental activities will be in urban as well as rural areas in the states in which it is located. The Company may also support initiatives in other geographies, as approved by the CSR Committee of the Board, from time to time. While the Company will ensure that all communities benefit from its CSR activities, the main focus would be on those groups that are socially and economically marginalized. These would include women, girl children and scheduled castes and tribes.

4. CSR Implementation:

The Company pledges to contribute at least 2% of the average net profits made during the three immediately preceding financial years specifically towards CSR activities. For calculation of this 2%, the net profit and average net profit shall be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Company may spend up to 5% of the total CSR expenditure in one or more financial year on administrative expenses relating to the management and administration of CSR activities of the Company.

The surplus arising out of the CSR activities will not be considered as a part of the business profits of the Company and shall be ploughed back into the same project, or shall be transferred to the Unspent CSR Account and it should be spent in pursuance of this CSR policy and annual action plan of the Company, or the Company may transfer such surplus amount to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.

Any unspent amount, other than unspent amount relating to an ongoing project, will be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. Further, unspent CSR funds of ongoing projects will be transferred within a period of 30 days from the end of the financial year to a special account opened by the Company in any scheduled bank called the "Unspent Corporate Social Responsibility Account". Such amount shall be spent by the company towards CSR within a period of 3 financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of 30 days from the date of completion of the third financial year. The Company may also collaborate with other companies to undertake CSR projects.

5. Focus Areas:

The main focus areas of Adithya Automotive Applications Private Limited for its CSR initiatives are – Education, Health, Livelihoods and Rural and Urban infrastructure. Besides, it will also undertake Interventions in the areas of sports, disaster relief, environment and ethnicity etc. (Refer **Annexure A**), all aimed at improving the quality of life of the communities.

6. Guiding Principles:

The Company's CSR will revolve around five guiding principles–Impact, Partnerships, Affirmative Action, Communication and Innovation. (Refer **Annexure B**)

7. Annual Action Plan:

The CSR Annual Action Plan shall include the following:

- (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,
- (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.

8. Governance Mechanism:

- The Board level Corporate Social Responsibility Committee (CSR Committee) of the Company shall be responsible for formulating and recommending to the Board the CSR Policy and a CSR annual action plan, provided the Board may alter such plan at any time during the financial year, as per the recommendations of its CSR Committee, based on reasonable justification to that effect. The CSR Committee reports to the Company's Board of Directors.
- CSR Committee shall also be responsible for implementation of CSR activities & reporting back to the Board and the Board shall monitor the implementation.

- CFO or the person in charge of finance function shall certify to the Board, on annual basis, regarding utilization of CSR funds for approved purposes.
- The members of Board level CSR Committee are Mr. Sumanth Badiga (Chairperson), Mr. VSN Murthy, Director of the Company.

Review of Policy

This CSR policy document will be reviewed from time to time and any changes, if necessary, will be approved by the Board, upon recommendations of the CSR Committee of the Board.

Annexure A: CSR Interventions

CSR Programs	CSR Initiatives	Ref. Sr. No of Sch VII of
Education	<ul style="list-style-type: none"> • Setting up and running educational institutions and hostels • Setting up and running mid-day meal kitchens • Training of teachers and headmasters • Improving quality of education in existing schools • Augmenting and supporting infrastructure in educational institutions • Offering scholarships and financial assistance to needy and meritorious students • Bridging drop-out children and mainstreaming them to formal schools • Making adults functionally literate • Developing educational material and methodologies • Supporting and promoting co-curricular activities • Advocacy of best practices • Education for main streaming disabled children 	ii/i
Health	<ul style="list-style-type: none"> • Setting up and running clinics and hospitals • Running mobile medical vans and ambulances • Organizing health camps • Providing financial assistance and waivers for needy patients, on a case-to-case basis • Providing family planning services • Reducing infant and maternal mortality • Preventing and treating communicable diseases like malaria, tuberculosis and HIV/AIDS • Treating and rehabilitating persons with disabilities • Working on adolescent and reproductive sexual health issues • Promoting awareness about various health issues and generating demand for health services • Undertaking and supporting research on health-related issues • Ensuring access to potable drinking water and hygienic sanitation 	i

CSR Programs	CSR Initiatives	Ref. Sr. No of Sch VII of Companies
Livelihoods	<ul style="list-style-type: none"> • Setting up and running skill development centres, industrial training centres, diploma and polytechnic institutes, community colleges, etc • Sponsoring candidates for skill development and vocational training programmes offered at identified institutions • Coaching candidates to appear for entrance examinations of different institutions • Creating, training and supporting entrepreneurs • Creating, training and supporting self-help groups, federations, co-operatives, societies and similar institutions • Building capacities of farmers on improved methods of agriculture and other allied sectors • Developing water harvesting structures and irrigation facilities • Supporting farmers with quality inputs, technical know-how and timely information • Creating markets and marketing linkages for farm and forest based produce • Undertaking and supporting research on agriculture and other allied sectors 	li
Rural Development	<ul style="list-style-type: none"> • Rural development projects of building and maintaining community-based rural infrastructure like roads, bridges, culverts, drains, rural electrification, water infrastructure, community centres, youth clubs, etc. 	x
Sports	<ul style="list-style-type: none"> • Constructing stadia and sports infrastructure • Setting up and running academies and sports training centres • Organizing sports tournaments and coaching camps for community • Supporting sports persons to participate in state, national and international events • Offering scholarships and sports equipments to deserving sports persons • Promoting adventure sports • Preserving and promoting indigenous sports • Organizing leadership and motivational camps 	vii

CSR Programs	CSR Initiatives	Ref. Sr. No of Sch VII of Companies
Ethnicity	<ul style="list-style-type: none"> • Preserving and promoting tribal languages, scripts and literature • Preserving and promoting fine arts and performing arts • Preserving and promoting various aspects of folk and tribal cultures • Organizing cultural events • Restoring and renovating memorials, monuments and heritage structures • Main streaming Particularly Vulnerable Tribal Groups (PVTGs) • Undertaking and supporting research on anthropological and ethnic issues 	V
Environment	<ul style="list-style-type: none"> • Undertaking plantations and afforestation activity • Promoting renewable sources of energy • Recharging ground water levels • Conserving biodiversity and supporting research, awareness and advocacy on issues related to biodiversity • Promoting awareness about environmental issues 	iv
Disaster Relief	<ul style="list-style-type: none"> • Extending relief measures during times of natural disasters, anywhere in the country • Undertaking and supporting rehabilitation measures post-disasters 	Different activities will be categorized differently
Support to Technology Incubators	<ul style="list-style-type: none"> • Funding research projects at technology hubs for environmental and social sustainability 	ix

Annexure B: Guiding Principles for CSR

- **Impact**- All CSR initiatives will have well-defined KPIs to measure impacts on target groups. For high impact projects, there will be independent, third-party assessments and feedback will be a key input for redesign and/or rollout of further initiatives.
- **Partnerships**- The Company will forge collaborations with business partners and like-minded corporate organizations, funding agencies, non-government organizations, community based organizations, Governments and Government organizations, based on well-defined selection criteria. Partners will bring in complementary resources, expertise and influence which would be leveraged to force-multiply the company's CSR initiatives.
- **Affirmative Action** - The Company will design targeted interventions for Scheduled Castes and Scheduled Tribes to promote Education, Employability, Employment and Entrepreneurship. The Company will also work on promoting Ethnicity to preserve the cultural fabric of these communities.
- **Communication**-The Company will have a two-way communication channel, so that the stakeholders' needs, expectations and aspirations can be mapped and their feedback and satisfaction levels can be obtained and assessed for the purpose of design and improvement of initiatives.
- **Innovation**- The Company will endeavour to develop innovative solutions to solve seemingly intractable social problems. These will encompass technology, as well as models for sourcing, partnering and delivery of initiatives.