



POLICY ON CORPORATE SOCIAL RESPONSIBILITY

“Our mission is to implement community driven initiatives that are transformative in nature focusing on empowerment, socioeconomic development & inclusive growth.”

1. Preamble

TruAlt Bioenergy Limited was established in the year 2021 with the vision of pioneering the growth of Biofuels in India. Today it stands tall on the global map as one of the most coveted bioenergy Companies. Corporate Social Responsibility (CSR) is an initiative with the basic aim to include responsibility for the Company's actions and encourage a positive impact through its activities on the environment, consumers, employees, communities, stakeholders, and society at large. In the modern world, a good and responsible corporate citizen recognizes that apart from the financial responsibilities/ obligations it has important responsibilities/obligations towards the society, community, and the environment. Reaching out to the underserved & underprivileged section of communities is part of business responsibility. To help ensure a sustainable quality of life, We at TruAlt have felt the need to balance economic prosperity along with social progress and community development. Every major business has an impact on the communities and societies in which it operates.

It is a well acknowledged and accepted fact that ***We as an Organization*** cannot focus only on economic outcomes and performance, without paying attention to the society at large within which We operate. It is the responsibility of the Company to get involved in the social development and societal upliftment of the community surrounding it. Corporate Social Responsibility is strongly linked to the principles of sustainable growth and development. A responsible organization should make decisions based not only on financial factors, but also on the social and environmental impact. Therefore, it is the primary responsibility of the Company to ensure its corporate values include a commitment to grow in a socially and environmentally responsible way, while contributing to the society.

2. Governing Provisions

The Corporate Social Responsibility Policy (“CSR Policy”) of TruAlt Bioenergy Limited (“the Company”) has been prepared in accordance with the provisions of Section 135 of the Companies Act, 2013, (“Act”) read along with the Companies (Corporate Social Responsibility) Rules, 2014 and Schedule VII of the Act (including any statutory modification(s) or re-enactment thereof for the time being in force) thereunder or any other Act/ Regulations/ Rules/ Directions, as may be applicable, from time to time. The CSR Policy assists the Company in its vision to contribute to the social and economic development of the communities at large. This Policy shall serve as the basic guiding document on directing our efforts towards building a better, sustainable way of life for the betterment of the society.

3. Objective of the CSR Policy

The Company’s CSR policy is intended to make a material, visible and lasting difference to the lives of the disadvantaged/underprivileged sections of society and a dedicated

CSR budget would be set aside out of profits of the Company based on the specifications as per the required law for its various CSR initiatives. The Company believes and acts on a culture of generosity and thoughtfulness, characterized by a willingness to contribute in a way to help build a society that helps everyone to grow and lead a better standard of living and assist the needy ones. The Company shall constantly strive to ensure strong corporate culture which would emphasize on integrating CSR values with business objective.

Further to the Company's philosophy and guiding principles, in compliance with the spirit underlying the provisions of Section 135 and related clauses of the Act:

- i. The Company recognizes the importance of good corporate governance and corporate social responsibility. It seeks to promote and strengthen the trust of shareholders, other stakeholders, and the public; and believes that operating in accordance with good corporate governance and corporate social responsibility practices is inherent in its philosophy.
- ii. The CSR Policy shall be governed and guided by the Company's corporate vision to achieve inclusive growth, and its aspiration for serving multiple market segments, its customers, shareholders, employees, and community at large.
- iii. To this endeavour, the Company shall strive to demonstrate the highest standards of ethics and act in accordance with the applicable law for the best interests of its shareholders, stakeholders, and the society.
- iv. The Company's CSR Policy has been framed and formulated in accordance with Section 135 of the Act and the rules made there under.
- v. The Company's CSR Policy is aligned with Schedule VII of the Act.
- vi. The Policy shall apply to all CSR programmes/projects of the Company.

4. **Definitions**

'Act' means Companies Act, 2013 and rules thereunder.

'Board of Directors' or 'Board', in relation to the Company, means the collective body of the directors of the Company.

'CSR Committee' means the Corporate Social Responsibility Committee as constituted or reconstituted by the Board from time to time.

'CSR Policy' means the policy framed by the CSR Committee to carry out CSR activities in accordance with Schedule VII of the Act.

'Directors' means Directors of the Company.

'Ministry' means the Ministry of Corporate Affairs of the Government of India.

5. CSR Approach and Process

All projects/beneficiaries shall be identified, reviewed, approved and recommended by the CSR Committee and then approved by the Board of Directors. A robust implementation framework as well as monitoring process shall be followed. All projects/programmes shall be placed before the CSR Committee and the Board, specifying modalities of execution of such projects/programmes, the implementation schedules and impact monitoring, if applicable.

6. Scope

This policy will apply to all projects/ programmes undertaken as part of the Company's Corporate Social Responsibility and will be developed, reviewed and updated periodically with reference to relevant changes in corporate governance, international standards and sustainable and innovative practices. The policy will maintain compliance and alignment with Section 135 of the Act and Schedule VII thereto.

7. CSR Vision

- To actively contribute to the social and economic development of the communities in which the Company operates. It wishes to build a better, safer and sustainable way of life for the weaker sections of society and contribute to the overall human development.
- To promote inclusive growth fired by free-spirited entrepreneurship and community development.
- To be recognized for the Company's strong commitment towards the community and to uphold the values of community service.

8. CSR Mission

The Company's mission is to implement CSR programmes and projects that assist in creating an empowered environment in the Indian society for inclusive growth leading to social and economic development of the community, in which we operate. Through a series of interventions, it seeks to reach out to various sections of society and provide them opportunities that empower their lives.

The Company's strategy is to integrate the activities in community development, social responsibility, and sustainable livelihoods, and encourage each business unit or function to include these considerations into its operations. To achieve the same, the Company will constantly strive to review and improve its efforts to positively contribute towards the well-being and welfare of the people across the country, especially across its area of operation. It would ensure the same by continually reviewing and improving its efforts to

conduct responsible business practices, uphold the highest ethical standards in all its engagements, and take the extra initiative to reduce damaging impacts on the environment and to nurture a workplace of diversity and inclusion.

9. Corporate Social Responsibility Committee & Composition

- i. The CSR Committee shall comprise of three (3) or more directors, out of which at least one director shall be an Independent Director.
- ii. The Chairperson of the CSR Committee shall be either designated by the Board or the members may elect a Chairperson from amongst themselves.
- iii. The CSR Committee shall meet at least two (2) times in a financial year.

The Company has constituted a CSR Committee of the Board as per the provisions of the Act, read together with the Companies (Corporate Social Responsibility Policy) Rules, 2014, to ensure that the purpose of this Policy is being effectively served. The present Composition of the CSR Committee of the Board is as follows:

Name	Designation
Ms. Sushmitha Vijaykumar Nirani	Chairperson, Non-executive Director
Mr. Mallikarjun Bhimappa Dyaberi	Member, Independent Director
Mr. Vijaykumar Murugesh Nirani	Member, Executive Director

10. Role of CSR Committee

The CSR Committee shall be as under:

- a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken as specified in Schedule VII of the Companies Act, 2013 and the rules made thereunder, monitor the implementation of the same from time to time and make any revisions therein as and when decided by the Board;
- b) identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- c) review and recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
- d) formulate and recommend to the Board, an annual action plan in pursuance to the Corporate Social Responsibility Policy, which shall include the following, namely:
 - i. the list of Corporate Social Responsibility projects or programmes that are approved to be undertaken in areas or subjects specified in the Schedule VII of the Companies Act, 2013;

- ii. the manner of execution of such projects or programmes as specified in Rule 4 of the Companies (Corporate Social Responsibility Policy) Rules, 2014;
- iii. the modalities of utilization of funds and implementation schedules for the projects or programmes;
- iv. monitoring and reporting mechanism for the projects or programmes; and
- v. details of need and impact assessment, if any, for the projects undertaken by the company.

Provided that the Board may alter such plan at any time during the financial year, as per the recommendations of the Corporate Social Responsibility Committee, based on the reasonable justification to that effect.

- e) To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities.
- f) To review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and
- g) To perform such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 or other applicable law.

11. CSR Activities

The CSR activities shall be undertaken in compliance with the provisions of Section 135 of the Companies Act, 2013, the activities broadly laid under Schedule VII of the Act and the Companies (Corporate Social Responsibility) Rules, 2014, as amended from time to time.

The list of activities specified under schedule VII of the Companies Act, 2013, as on the date of the policy, are as under: —

- 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 Government for socio economic development and relief and welfare of the Schedule Caste, 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 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.

Further, in accordance with the law, below mentioned activities undertaken by a Company shall not constitute CSR activities of the Company:

- i. activities undertaken in pursuance of 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 under section 182 of the Act;
- iv. activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
- v. activities supported by the Company 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;

12. Implementation

The Company shall participate in CSR projects/programmes either independently or through Partnership Model to implement its CSR projects.

The Company may enter into partnerships or alliances with NGOs, other Trusts, or other Corporate Foundations etc. to create a multiplier effect of its CSR programmes/projects. The Company can also implement programmes in collaboration with other companies such that the CSR Committees of respective companies are in a position to report separately on such programme and projects. The company can collaborate with the government for undertaking social welfare programmes.

13. Monitoring

The CSR Committee will oversee the implementation and monitoring of all CSR projects/programmes and periodic reports shall be provided for review to the CSR Committee. The company may prepare and updates the 'Annual CSR Report' on its website highlighting the initiatives undertaken during the year. The Company will institute a monitoring and review mechanism to ensure that each CSR project/ programme has:

1. Clear objectives developed out of the societal needs that may be determined through need assessment studies and research (secondary or primary).
2. Clear targets, timelines, and measurable indicators wherever possible.
3. A progress monitoring and reporting framework that is aligned with the requirements of Section 135 of the Act and the CSR Rules.
4. The CSR Committee shall assign roles and responsibilities to the relevant team towards monitoring of the CSR activities and would have the responsibility of monitoring approved projects and funds disbursements for such projects. Monitoring mechanisms may include visits, meetings, and progress reports.

With regard to the budget, the Company will allocate and account for CSR spend across projects and programmes based on CSR Budget formulated each year by the CSR Committee and approved by the Board. A time frame, if deemed fit by the CSR Committee and Board, shall be laid down for the concerned CSR projects/ activities for their timely completion.

14. Determining & Disbursing CSR Expenditure

1. Determination of CSR Expenditure for the Financial Year

In every financial year, the CSR Committee and the Board shall ensure that the Company spends such minimum amount as 'CSR Expenditure' as required and as stipulated under the Section 135 of the Companies Act, 2013 and Rules thereunder.

2. Set-off of Excess amount of CSR Expenditure

If in any financial year, the Company spends an amount in excess of the above determined CSR Expenditure, such excess amount may be set off against the requirement to spend such amount of CSR Expenditure in the immediately succeeding three financial years' subject to the conditions that

- a) the excess amount available for set off shall not include the surplus arising out of the CSR activities, if any, in accordance with the provisions of the Companies Act, 2013 and
- b) the Board shall pass a resolution to that effect.

3. Disbursement of CSR Expenditure

The amount to be allocated and utilized towards the CSR activities would be in line with the statutory requirements. The amount proposed to be disbursed shall be first placed to the CSR Committee for its review, approval, and subsequent approval of the Board. The maximum allocation to each eligible entity shall be approved by the CSR Committee and Board of the Company. The actual amount disbursed shall be within the maximum outlay as approved by the CSR Committee and the Board. The details of final disbursement of the CSR Expenditure to various entities shall be reported to the CSR Committee and Board.

4. Transfer of unspent CSR Expenditure

If the Company fails to spend the determined CSR Expenditure (other than any ongoing project), the Board shall pass a resolution to transfer such unspent amount to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year. Further, in case an amount remains unspent on any ongoing project undertaken by the Company, the same shall be transferred to a special account named 'Unspent Corporate Social Responsibility Account' opened within a period of thirty days from the end of the financial year, and such amount shall be spent by the Company in pursuance of its obligation towards the Corporate Social Responsibility Initiative's within a period of three 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 thirty days from the date of completion of the third financial year.

15. Impact Assessment

The Company on having an average CSR Expenditure of Ten Crore rupees or more in pursuance to section 135 of the Act, in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of its 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. If the Company undertakes impact assessment in any financial year, the expenses incurred thereunder shall not exceed five percent of the total CSR Expenditure for that financial year or Fifty Lakh rupees, whichever is less.

16. Employee Engagement

The Company shall encourage the participation/involvement of employees in the CSR activities of the Company. The employees shall volunteer along with the CSR entity/beneficiary to the CSR Projects undertaken by the Company with a view to foster community participation and development.

17. Reporting of CSR Initiatives

CSR Committee of the Board shall periodically review the progress report on the various CSR initiatives taken up by the Company and the same shall be reported in the Company's Annual Report under Directors' Report, in the format as prescribed under the Companies Act, 2013. The impact assessment reports, if applicable, shall be placed before the Board and shall be annexed to the Company's Annual Report. The Company shall disclose the composition of the CSR Committee, CSR Policy and details of the CSR project/entity/beneficiary as approved by the Board for public access on the website of the Company.

18. Modification of the Policy

In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference shall be made to the Company Secretary or Managing Director. In all such matters, the interpretation and decision of the Managing Director in consultation with the CSR Committee shall be final and binding. In the event of any provisions contained in this Policy are inconsistent with the provisions contained in the Companies Act, 2013 / Any other Acts or any Rules framed thereunder, the provisions contained in the Regulatory Acts will prevail. The Board on its own and/or due to any regulatory requirement/amendment can amend this Policy, as and when deemed fit. The Board reserves the right to alter, modify, add, delete or amend any of the provisions of the Policy.

19. Review of Policy

The CSR Policy shall be reviewed and updated every three years or as recommended by the CSR committee of the company.

For TRUALT BIOENERGY LIMITED


Managing Director