

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

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Applicable to	TROPICAL AGROSYSTEM (INDIA) PVT. LTD.
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Approved by:	Board of Directors

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1. POLICY STATEMENT

Corporate Social Responsibility (“CSR”) at Tropical Agrosystem (India) Pvt. Ltd. (“the Company” or “Tropical Agro”) portrays a deep symbiotic relationship that the Company enjoys with the communities it is engaged with. As a responsible corporate citizen, Tropical Agro believes in regularly contributing to social and economic development.

2. VISION STATEMENT, OBJECTIVE AND APPLICABILITY

- a. The CSR Policy sets out our commitment to ensuring that our activities extend beyond business and include initiatives and endeavours for the benefit and development of the community and society. The CSR Policy lays down the guidelines for undertaking programmes geared towards social welfare activities or initiatives. Through this CSR Policy, the Company proposes to adopt short, medium- and long-term CSR programs and initiatives.
- b. This CSR Policy has been framed in accordance with the applicable provisions of the Companies Act, 2013 (“Act”) and the rules issued thereunder.
- c. Notwithstanding anything to the contrary contained in this CSR Policy but subject to applicable law, in the event that 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:
 - (i) Constitute/maintain the CSR Committee; and
 - (ii) 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.

3. DEFINITION & INTERPRETATION

- i. **“Board”** means the Board of Directors of the Company.
- ii. **“Company”** means Tropical Agrosystem (India) Private Limited.
- iii. **“CSR Activities”** means such programs and projects as may be approved by the Board in terms of this CSR Policy.
- iv. **“CSR Committee”** means a committee constituted by the Board of Directors in terms of Section 135 of the Act and the CSR Rules.
- v. **“CSR Rules”** means the Companies (Corporate Social Responsibility Policy) Rules, 2014.
- vi. **“CSR Expenditure”** means the amount recommended by the CSR Committee to be incurred on the CSR Activities in India in terms of the Act and the CSR Rules as approved by the Board from time to time.
- vii. **“Director”** means a member of the Board of the Company.
- viii. **“Implementing Agency”** means an implementing agency as defined under paragraph IV (3).
- ix. **“Implementation Group”** means an implementation group as defined under paragraph IV (2).
- x. **“Net Profits”** means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act (or the provisions of the Companies Act, 1956, if then applicable), but shall not include (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.

- xi. **“Society”** means a society registered under the Societies Registration Act, 1860 or any other applicable law in India.
- xii. **“Trust”** means a trust registered under the Indian Trusts Act, 1882 or any other applicable law in India.

Any term not defined above, shall have the meaning assigned to it under the Act or the CSR Rules.

4. CSR COMMITTEE

- The Board constituted CSR Committee as per the applicable laws, along with the CSR team, shall be responsible for the decision making with respect to the Company’s CSR policy.
- **Composition of the CSR Committee** - The CSR Committee shall include the following members of the Board:

Mr Jayaprakash Sadeeshkumar, Chairperson
Mr Dinesh Kumar, Member
- CSR Committee shall recommend the CSR policy to the Board of Directors, and Board of Directors shall approve the Company’s CSR policy.
- The committee is responsible for the overall governance of CSR projects. The CSR team comprises designated Tropical Agro officials who are responsible for implementing the CSR agenda of the organization including the administration of CSR Policy, execution of identified CSR projects, etc.
- The CSR Committee shall formulate and recommend to the Board, an annual action plan consisting of the following:
 - a. The list of CSR programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - b. The manner of execution of such programs.
 - c. The modalities of utilization of funds and implementation schedules for the programs;
 - d. Monitoring and reporting mechanism for the programs; &
 - e. Details of need and impact assessment, if any, for the programs undertaken by the Company Provided that Board may alter the Annual Action plan at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.
- The CSR Committee shall meet regularly to review the implementation of CSR programs/ programs and give suitable direction.

In case of an ongoing program, the Board of the Company shall monitor the implementation of the program with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the program within the overall permissible time period. “Ongoing Program” here means a multi-year

program undertaken by the 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 program that was initially not approved as a multi-year program but whose duration has been extended beyond one year by the board based on reasonable justification.

5. CORPORATE SOCIAL RESPONSIBILITY PROGRAMS AND PROJECTS

- a. The Company will carry on its CSR activities in areas or subjects as prescribed under Schedule VII of the Act, as amended from time to time. An illustrative list of such areas or subjects is outlined below:
 - (i) eradicating hunger, poverty, and malnutrition, promoting health care (including preventive health care) 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, daycare centers, and 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 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 arts and handicrafts.
 - (vi) measures for the benefit of armed forces veterans, war widows, and their dependents; Central Armed Police Forces (CAPF) and Central Paramilitary 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 any other fund including Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities, and women.
 - (ix) 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.

(x) 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).

(xi) rural development projects.

(xii) slum area development.

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

(xiv) Any other activity as may be specified under the Act or the CSR Rules from time to time.

- b. The Company's CSR projects and programs will be undertaken by the Company either by itself or jointly with other organizations.
- c. The Company encourages its employees, their family and friends, civic organizations, and volunteers to participate in its CSR Project activities.

The CSR projects and programs may also be implemented through registered public charitable trusts or a registered society, registered under Sections 12A and 80G of the Income Tax Act, 1961, companies established under Section 8 of the Act (corresponding to Section 25 of the Companies Act, 1956) and/or through any implementing entity as permitted under the Act and CSR Rules.

6. FOCUS AREAS

Tropical Agro will undertake CSR projects and programs in the following priority areas:

a) Sustainable Agriculture & Farmer Welfare

- Promote organic farming, soil health management, and regenerative agriculture.
- Train farmers in sustainable agricultural practices and integrated crop management.
- Improve access to eco-friendly agri-inputs and technology for enhanced productivity.

b) Water Conservation & Environmental Sustainability

- Build and support water harvesting and irrigation infrastructure such as check dams, farm ponds, and drip irrigation.
- Undertake afforestation, soil restoration, and land regeneration initiatives.

- Promote climate-resilient agriculture and awareness on environmental conservation.

c) Healthcare Access

- Support the **Heartfulness Wellness Centre** in delivering affordable and accessible preventive and curative healthcare services to rural and underserved populations.
- Organize health camps, wellness awareness drives, and support infrastructure for medical services.
- Promote sanitation and hygiene in rural areas.

d) Education & Holistic Learning

- Partner with the **Heartfulness Institute** to support school infrastructure, teacher development, and value-based education programs.
- Support rural schools with infrastructure, scholarships, and nutrition.
- Promote mindfulness, mental wellness, and capacity-building among students and educators.

e) Food Security & Nutrition

- Conduct regular food distribution drives in Chennai for the needy and those affected by food insecurity, under the **Gupt Daan Trust**, to help end hunger.
- Collaborate with community kitchens and NGOs to provide nutritious meals during times of distress or disaster.

f) Rural Development & Livelihoods

- Support self-help groups, farmer-producer organizations, and rural youth with skills and resources to generate sustainable livelihoods.
- Facilitate training programs in agri-allied sectors and entrepreneurship.

g) Environment & Climate Action

- Promote the use of biological agri-inputs that reduce chemical dependency.
- Support waste management, plastic reduction, and renewable energy programs.
- Conduct awareness campaigns on land restoration, desertification, and climate resilience.

7. FINANCIAL OUTLAY FOR CSR ACTIVITIES

Every year, upon the recommendation of the CSR Committee, the Board will make a budgetary allocation for CSR activities/projects for the year. The budgetary allocation will be based on the CSR obligation of the Company for that financial year arrived in the manner provided under the Act.

The Company shall strive to spend the budgeted amount allocated for CSR activities/projects planned for each financial year, within that year. If for any reason, any of the provisioned

annual budget remains unutilized, the same will not lapse and will be treated in the following manner:

- I. In case of an Ongoing Project, the unspent amount shall be transferred to an account i.e., 'Unspent CSR Account' within 30 days of the end of the financial year, or within such other period as may be specified in the Act or CSR Rules from time to time, and such sum shall be spent during the next three financial years from the date of transfer, in the manner prescribed under the Act read with CSR Rules, failing which, the Company shall treat the unspent amount in the manner prescribed under the Act read with CSR Rules.
- II. In case of activities/projects other than Ongoing Project, the same shall be transferred to funds specified in Schedule VII of the Act, or any such other fund(s) as may be specified under the Act or CSR Rules, within 6 months of the close of the financial year or within such other time as may be specified from time to time.

Any surplus arising out of the CSR activities, projects, or programs shall not form part of the business profits of the Company and shall be treated in the following manner:

- a. ploughed back into the same project; or
- b. shall be transferred to the Unspent CSR Account (if any) opened by the company, from which the said amount shall be spent in pursuance of CSR policy and annual action plan of the Company; or
- c. such surplus will be transferred to a Fund specified in Schedule VII of the Act, within six months of the expiry of the financial year.

The Board may during any financial year, approve to undertake CSR expenditure beyond the CSR obligation for that particular financial year. Such excess CSR spend shall be carried forward for set off against the CSR obligation of the Company for the next three consecutive financial years in the manner decided by the Board in compliance with the provisions of the Act and the Rules.

8. IMPLEMENTATION

- a. Tropical Agro integrates CSR plans and strategies effectively with its business plans and strategies.
- b. For impactful socio-development, Tropical Agro breaks down long-term CSR plans into medium and small plans.
- c. Every year, the CSR Committee shall formulate and recommend to the Board, an annual action plan of the CSR projects to be undertaken. The annual action plan includes the following broad parameters, or such other matters as may be required by the Act or Board:
 - I. the list of CSR projects or programs that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act.
 - II. the manner of execution of such projects or programs as specified in the CSR Rules.
 - III. the modalities of utilization of funds and implementation schedules for the projects or programs.
 - IV. monitoring and reporting mechanisms for the projects or programs; 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 recommendation of its CSR Committee based on the reasonable justification to that effect.

- d. Ongoing Project(s) will be broken up into annual targets and activities to be implemented sequentially yearly, and the budget would have to be allocated for the implementation of these activities and achievement of targets set for each successive year, till the completion of the project.
- e. Any socio-development areas that closely align with Tropical Agro's business strategy and the Company possesses core competence to do so, the Company may take up the implementation of a CSR project with its manpower and resources.
- f. The CSR program management team can avail the service of external agencies for the effective implementation of the CSR projects.
- g. In the event an external agency is engaged for the CSR initiatives of Tropical Agro, the following broad parameters shall be considered while appointing any external agency:
 - Legally authorized to undertake CSR activities.
 - Confirmation of the ethical and clean track record of the agency.
 - Agency having a track record of at least at least three years of working in CSR areas.
 - duly registered under Sections 80G and 12A of the Income Tax Act.
 - Has obtained a Unique CSR Registration Number from the Ministry of Corporate Affairs.
 - The agency shall have the requisite systems and processes in place for monitoring and reporting.
 - Such other conditions as may be decided by the CSR Committee from time to time.
- h. The Board shall ensure that the Administrative Overheads shall not exceed such percentage of the total CSR expenditure of the Company as prescribed and notified in the Act read with CSR Rules.

9. MONITORING

- a) Tropical Agro recognizes that regular and robust monitoring is critical for CSR projects.
- b) Implementation and monitoring of the CSR activities and projects will be overseen by the CSR Committee.
- c) Monitoring is to be done periodically on key performance indicators- timelines, utilization of funds, targets, qualitative and quantitative impact, etc. depending on the nature and need of the CSR project.
- d) Continuous feedback mechanism plays a pivotal role in monitoring to plan out the mid-course correction in implementation, whenever required.
- e) If the projects are being implemented by an implementation agency, the program management team may in consultation with the CSR Committee designate special executives for monitoring of the CSR projects.
- f) The monitoring and evaluation may also be assigned by the CSR program management team to an independent external agency for the sake of objectivity and transparency. The periodic report concerning the status of CSR activities should be submitted to the CSR program management team and thereon to the CSR Committee.
- g) The CSR program management with the approval of the CSR committee, may also undertake a study to assess the impact caused by the CSR activities of the Company. For

the said purpose, the CSR Committee may designate special executives for this purpose or avail the services of specialized agencies.

- h) In case the Company's average
- i) CSR expenditure obligation is ten crore rupees or more, in the three immediately preceding financial years, the Company shall mandatorily undertake an impact assessment, through an independent agency, of their CSR projects or activities having outlays of one crore rupees or more, and which have been completed not less than one year before undertaking the impact study. The impact assessment reports shall be placed before the CSR committee and shall be annexed to the annual report on CSR.