



TRANSGLOBAL POWER LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

(This document intends to communicate the framework for the CSR activities at TransGlobal Power in accordance with regulatory and legislative requirement prescribed under Companies Act, 2013).

Policy Area	Secretarial
Policy Name	CSR Policy
Policy Version	Amendment No. 1
Policy Manager	Company Secretary
Approver	Board of Directors

Corporate Social Responsibility Policy

1. INTRODUCTION

TransGlobal Power Limited's (TransGlobal's), social responsibility starts from the top management level itself and percolates down till the junior-most level. For us in the TransGlobal Family, reaching out to underserved communities is an important reason to be doing business. As we are into power projects, we like to bring light and brightness in the life of needy people.

We strongly believe that apart from extending regular financial help to the needy, poor, weaker and less privileged sections of the society, the most effective way of carrying out our Corporate Social Responsibility policy to actively contribute to the social and economic development of the communities in which we operate. In so doing build a better, sustainable way of life for the weaker sections of society and thereby create value for the nation. India is developing in all possible areas but there are certain areas where development is almost stagnant. "Gender discrimination is one of them". Company is definitely making valuable efforts in order to empower women right from encouraging them to get education till getting respectable livelihood to become productive citizens.

As a Responsible Corporate Entity, the Company takes a pride in providing essential necessities of life like Education, Food, Clothes and Shelter to the needy and poor. The members of the management contribute to society through contributions to various charitable organizations who in turn pass on the articles purchased with these contributions to the less fortunate sections of our society.

TransGlobal believes that corporate development has to be inclusive and every company has to be responsible for the development of a just and humane society that can build a national enterprise. TransGlobal commits itself to contribute to the society in ways possible for the organization for fulfilling this commitment.

2. SCOPE and APPLICABILITY

This CSR policy shall be applicable to TransGlobal Power Limited and shall be effective from the date of its approval by the Board of Directors of the Company.

3. OBJECTIVES OF OUR CSR POLICY

- Ensuring socio-economic development of the community through different participatory and need- based initiatives in the best interest of the poor and deprived sections of the society so as to help them to become SELF-RELIANT and build a better tomorrow for themselves.
- Promote a unified approach to CSR to incorporate under one umbrella the diverse range of the philanthropic activities, thus enabling maximum impact of the CSR initiatives.
- Ensure an increased commitment at all levels in the organization, to operate in an economically, socially and environmentally responsible manner while recognizing the interests of all its stakeholders.
- This Policy shall framed be and implemented by the Corporate Social Responsibility Committee, subject to approval by the Board with an objective is to endeavor to reduce our impact on the environment through a commitment to continual improvement; and pay back to the society.

4. VISION & MISSION OF THE COMPANY

Our Vision is to bring about a long term sustainable change through sustainable measures, actively contribute to the Social, Economic and Environmental Development of the community in which we operate ensuring participation from the community and thereby create value for the nation. Our mission is 'Enriching Living Styles' by transforming tribal landscapes into sustainable communities. In addition to the investments in the current CSR initiatives which are mostly in the areas of education, hunger eradication, poverty eradication, preventive health care and environment, which also include sustainability initiatives to reduce energy and resource use, our other Endeavour is inclusive development at all our project locations to help the communities that live around these projects prosper in all walks of life. Every child is a different kind of flower that altogether make this world a beautiful garden. All kids need is a little help, a little hope, and someone who believes in them. Old age brings along with it a whole set of issues for the elderly, Loneliness creeps in early resulting in the elderly spending time alone, all by themselves. The loneliness and isolation in their own homes make them feel insecure and vulnerable, which often leads to serious health and well-being issues. The common lament is that they have no one to support them at this stage in life.

Any point not covered by this Policy would be interpreted in accordance with the existing Companies (Corporate Social Responsibility Policy) Amendment Rules 2021.

5. DEFINITIONS

- a) **“Act”** means the Companies Act, 2013 (18 of 2013);
- b) **“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 programme;
- c) **“Corporate Social Responsibility (CSR)”** means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely:-
 - (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 companies 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;

- d) **“CSR Committee”** means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act;
- e) **“International Organisation”** means an organisation notified by the Central Government as an international organisation under section 3 of the United Nations (Privileges and Immunities) Act, 1947 (46 of 1947), to which the provisions of the Schedule to the said Act apply;
- f) **“Net Profit”** means the net profit of a company as per its financial statement prepared in accordance with the applicable provisions 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;
- g) **“On-going Project”** means a multi-year project undertaken by a 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 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;
- h) **“Public Authority”** means ‘Public Authority’ as defined in clause (h) of section 2 of the Right to Information Act, 2005 (22 of 2005);.

Words and expressions used and not defined in this Policy but defined in the Act shall have the same meanings respectively assigned to them in the Act.

6. CSR COMMITTEE

6.1 Our CSR governance structure will be headed by the Board Level. The CSR Committee of the Board shall be comprised of four (4) Directors. Members of the CSR Committee may be replaced by any other member of the Board.

6.2 Members of CSR Committee

T. K. Praveen	Chairman & Member
Suresh Dasappa	Member & Managing Director
Suhas Bonageri	Member
K. M. Rajashekhar	Member

- 6.3 The CSR Committee shall meet as often as its members deem necessary to perform the duties and responsibilities.

7. RESPONSIBILITY OF THE BOARD

- 7.1 Approve the CSR Policy and the CSR Expenditure after taking into consideration the recommendations made by the CSR committee.
- 7.2 Ensure the CSR spending every financial year of at least 2% of average net profits, if any, made during immediately preceding 3 financial years, in pursuance with the Policy.
- 7.3 Ensure that CSR activities included in the CSR Policy are undertaken by the company and that such activities are related to the activities specified in Schedule VII of the Companies Act.
- 7.4 Ensure disclosure of the contents of the CSR Policy on the company's website.
- 7.5 Directors' Report of the Company shall include:
- (a) Contents of the CSR Policy and Composition of the CSR committee; (b)
- An annual report on the CSR in the prescribed format as per Law.
- (c) Reasons for unspent amount (if any) on CSR activities.

8. DUTIES & RESPONSIBILITIES OF CSR COMMITTEE

- 8.1 Formulate CSR Policy and recommend the same to the Board of Directors of the Company for approval.
- 8.2 Recommend CSR activities as stated under Schedule VII of the Companies Act, 2013
- 8.3 Approve to undertake CSR activities, if necessary, in collaboration with group companies/other Companies/firms/NGOs etc., and to separately report the same in line with the CSR Rules
- 8.4 Monitoring mechanism for implementation of CSR initiatives approved by the company from time to time. Meetings of the Committee to be held for smooth functioning of the Committee.

9. CSR EXPENDITURE

- 9.1 The administrative overheads on the CSR activities of the Company shall not exceed five percent of Total CSR expenditure of the Company for the particular Financial Year.
- 9.2 Any surplus arising out of the CSR activities shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the Company.
- 9.3 If the Company spends an amount in excess of requirement provided under subsection 135(5), such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediately 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.
 - ii. the Board of the company shall pass a resolution to that effect.
- 9.4 The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by -
- (a) a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4; or
 - (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
 - (c) a public authority

10. ALLOCATION OF FUNDS

Company shall allocate funds for each financial year with the approval of the Board of Directors. The CSR spending shall be at least 2% or such percentage as defined under the Companies Act, 2013 and rules made thereunder of the average net profits of the company made during the immediately preceding three financial years. Every endeavor shall be made to spend the entire yearly budget on CSR activities in that year itself.

The CSR Projects shall be carried out after approval of the Board and CSR Committee shall provide their recommendations to the Board on the proposed CSR Projects.

11. APPROVAL OF CSR ACTIVITIES

The CSR Committee will recommend the areas and activities to be undertaken. The activities so approved and recommended by CSR Committee shall be put up to Board for its approval / ratification. No financial commitment shall be made except with approval or ratification of Board.

12 AREAS OF CSR ACTIVITY

The Company proposes to carry out the CSR activities in the following areas subject to the approval of Board/ CSR committee from the time to time and subject to allocation of budget and programme /project to be approved by the Board/ CSR Committee.

- a. Eradicating hunger, poverty and malnutrition, promoting preventive health care including preventive health care and sanitation and making available safe drinking water;
- b. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- c. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;
- d. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water;
- e. 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;
- f. Measures for the benefits of armed veterans, war widows and their dependents;
- g. Training to promoter rural sports, nationally recognized sports, Paralympics sports and Olympic sports;
- h. Contribution to the Prime Minister's National Relief Fund or any other fund set up

by the Central Government for socio-economic development and relief and welfare of the Schedule Castes, the Scheduled Tribes, other backward classes, minorities and women;

- i. Contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;
- j. Rural development projects;
- k. Such other activities as the Board may consider being appropriate.
- l. Setting up old age homes, day care centers and such other facilities for senior citizens.
- m. Any other activities as may be permitted under Schedule VII to the Companies Act 2013, for the time being in force.

However, the Company shall give preference to spending on "promoting education", "Women empowerment" and "setting up old age homes".

13 CARRYING OUT OF CSR ACTIVITIES

The CSR activities shall be undertaken by the Company either 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.

Any surplus arising out of the CSR projects or programs shall not form the part of the business profits of the Company.

14. CSR FUNDS UTILIZATION AND MONITORING

The Chief Financial officer or the person responsible for financial management by whatever name called shall certify to the CSR Committee and the Board on an annual basis that the funds disbursed by the Company for CSR activities have been utilized for the purposes and in the manner as approved by CSR Committee/Board of Directors.

In case of on-going project, the Board of a Company 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.

15. IMPLEMENTATION/UNDERTAKING OF CSR ACTIVITIES

15.1 Those CSR activities, which are closely aligned with the strategy of the Company & the areas where the company has core competence, like creation of infrastructure, the implementation of CSR activity will be taken up with the Company's own manpower & resources, following the due procedure and transparency norms. In such cases evaluation shall be assigned to an independent external agency for sake of objectivity and transparency.

15.2 In other cases, where the Company does not have in house expertise, the CSR activities can be undertaken by the Company 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.

15.3 In addition, while implementing CSR projects through specialized agencies, every possible effort would be made to verify the reliability and clean track record of such agencies and their selection would be done following the procurement guidelines as per Company Policy, unless and until a special policy is evolved by the Board specifically for CSR activities.

The specialized agency shall fulfill the following qualifying criteria for the implementation /undertaking the CSR activities:

- a) Agencies, who intend to undertake any CSR activity, shall register itself with the Central Government by filing the form CSR-1 electronically with the Registrar and comply with such other requirement as become applicable from time to time.
- b) It should possess a permanent office/address in India and the members should be predominantly Indian citizens.
- c) It should have an established track record of at least three years in undertaking similar activities.

It should possess valid PAN number along with valid income tax exemption certificate of 12AA, 80G etc.

15.4 The Company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR committees of respective companies are in position to report separately on such projects or programs in accordance with these rules.

16. EVALUATION / IMPACT ASSESSMENT

16.1 Upon completion, the CSR Project(s) with outlay of Rs.10 crore or more of a single project shall be evaluated by an independent external agency in terms of achievement of goals. However, if none of the projects are of Rs.10 crore then as decided by the CSR Committee, the projects of the corresponding year shall be evaluated.

16.2 Test of the success of any CSR activity / project shall be its social, economic or environmental impact thereof. Outcome related to the objective set at the time of need assessment study. As impact assessment study requires specialized skills and tools for advocacy research, it may be carried out by specialized agencies.

17. CSR REPORTING AND DISCLOSURE

The Company shall disclose the composition of the CSR Committee, CSR Policy and Projects approved by the Board on its website for public access. The CSR committee shall forward a report to the Board on an annual basis containing particulars as stated under Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Board's Report of the Company pertaining to any financial year shall include an Annual Report on CSR containing particulars specified in Annexure I or Annexure II to the Companies (Corporate Social Responsibility Policy) Rules, 2014 as applicable.

18. MISCELLANEOUS:

- (i) The Company, its Board, CSR Committee shall be abiding by amendments, if any, made subsequently in any of the statutory laws and government guidelines related to CSR.
- (ii) The Company reserves the right to modify, cancel, add or amend any of the above rules/ guidelines within the broad parameters of the provisions of Companies Act, 2013 and Companies (CSR Policy) Rules, 2014 and any amendments made thereto.