INNOTERRA LIMITED
(FORMERLY KNOWN AS MILKLANE DAIRY SERVICES PRIVATE LIMITED)

CIN: U52101MH2015PLC269084
Website: www.innoterra.in

Corporate Social Responsibility Policy

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Adoption:	23-06-2026
Revision:	

PREAMBLE AND OBJECTIVE

Corporate Social Responsibility ("CSR") reflects the commitment of Innoterra Limited ("Company") to conduct its business as a responsible corporate citizen and to contribute to inclusive, equitable and sustainable development. The Company recognises that its long-term growth is linked to the well-being of the communities and stakeholders around the areas in which it operates.

This Corporate Social Responsibility Policy (**"Policy"**) sets out the principles, governance framework, implementation process, monitoring mechanism and disclosure requirements for the CSR activities of the Company. The Policy is framed in accordance with Section 135 of the Companies Act, 2013 ("**Act**"), Schedule VII to the Act, the Companies (Corporate Social Responsibility Policy) Rules, 2014 (**"CSR Rules"**), as amended from time to time, and other applicable laws and regulations.

SCOPE AND APPLICABILITY

This Policy applies to all CSR activities, projects and programmes undertaken by the Company in India, directly or through eligible implementing agencies, or in collaboration with other companies, in accordance with the Act and the CSR Rules.

In the event of any inconsistency between this Policy and the Act, the CSR Rules, Schedule VII, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), or any other applicable law, the provisions of applicable law shall prevail.

The Company shall give preference to the local areas and areas around its operations while spending the amount earmarked for CSR activities, without prejudice to its ability to undertake CSR projects at any other location in India as may be approved by the Board of Directors of the Company (**"Board"**).

DEFINITIONS

"Act" means the Companies Act, 2013 and the rules made thereunder, each as amended, modified or re enacted from time to time.

"Administrative Overheads" means the expenses incurred by the Company for general management and administration of CSR functions, but shall not include expenses directly incurred for designing, implementing, monitoring and evaluating a particular CSR project or programme.

"Annual Action Plan" means the annual plan recommended by the CSR Committee and approved by the Board in pursuance of this Policy, containing the details prescribed under the CSR Rules.

"Board" means the Board of Directors of the Company.

"Company" means Innoterra Limited.

"CSR" means Corporate Social Responsibility as defined under the CSR Rules and includes activities undertaken by the Company in pursuance of its statutory obligation under Section 135 of the Act in accordance with this Policy, but excludes activities specifically excluded under the CSR Rules.

"CSR Committee" or "Committee" means the Corporate Social Responsibility Committee of the Board constituted under Section 135 of the Act, wherever required.

"CSR Rules" means the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

"Net Profit" means the net profit of the Company calculated in accordance with Section 198 of the Act and Rule 2(1)(h) of the CSR Rules.

"Ongoing Project" means a multi-year project 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 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.

"Policy" means this Corporate Social Responsibility Policy of the Company.

"SEBI Listing Regulations" means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

"Unspent CSR Account" means the special account opened by the Company in accordance with Section 135(6) of the Act for unspent CSR amounts relating to ongoing projects.

"Zero Coupon Zero Principal Instrument" or "ZCZP Instrument" means an instrument issued by an eligible Not for Profit Organisation on the Social Stock Exchange in accordance with applicable SEBI regulations and the CSR Rules, wherever the Company chooses such route for CSR implementation.

Words and expressions used but not defined in this Policy shall have the meanings assigned to them under the Act, the CSR Rules, the SEBI Listing Regulations and other applicable laws, as the context may require.

GOVERNANCE STRUCTURE

CSR Committee

Where required under Section 135 of the Act and the CSR Rules, the Board shall constitute a CSR Committee. The composition of the CSR Committee shall be in accordance with the Act and the CSR Rules, including the requirement relating to independent directors, where applicable. Where the amount required to be spent by the Company on CSR does not exceed the statutory threshold for mandatory constitution of the CSR Committee, the Board may discharge the functions of the CSR Committee in accordance with applicable law.

The Company Secretary of the Company, or such other person as may be designated by the Board, shall act as the secretary to the CSR Committee.

Functions of the CSR Committee

- formulate and recommend to the Board this Policy and any amendments thereto;
- formulate and recommend to the Board an Annual Action Plan in pursuance of this Policy;
- recommend the amount of expenditure to be incurred on CSR activities, projects and programmes;
- review, monitor and evaluate CSR activities and their progress from time to time;
- recommend modifications to the Annual Action Plan or ongoing projects, wherever required, with reasonable justification;

- review the utilisation of CSR funds and the reports / certificates submitted by implementing agencies and the Chief Financial Officer or person responsible for financial management;
- recommend impact assessment, wherever applicable, and review the impact assessment reports before placing them before the Board; and
- perform such other functions as may be entrusted by the Board or prescribed under applicable law.

Responsibilities of the Board

- approve the CSR Policy and any amendments thereto after taking into account the recommendations of the CSR Committee;
- approve the Annual Action Plan and any modifications thereto;
- ensure that the activities included in the CSR Policy are undertaken by the Company;
- ensure that the Company spends, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years, or such amount as may be prescribed under the Act and CSR Rules;
- satisfy itself that CSR funds disbursed have been utilised for the purposes and in the manner approved by the Board;
- monitor ongoing projects with reference to approved timelines and year-wise allocation and make modifications for smooth implementation within the overall permissible time period;
- ensure transfer and treatment of unspent CSR amounts in accordance with the Act and CSR Rules;
- ensure appropriate disclosure of the CSR Committee composition, CSR Policy, projects approved by the Board and annual CSR report as required under applicable law; and
- ensure compliance with applicable SEBI Listing Regulations and sustainability reporting requirements, wherever applicable.

ANNUAL ACTION PLAN

The CSR Committee shall formulate and recommend an Annual Action Plan to the Board for each financial year. The Board may alter the Annual Action Plan at any time during the financial year, as per the recommendation of the CSR Committee, based on reasonable justification.

The Annual Action Plan shall include the following:

- the list of CSR projects or programmes approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
- the manner of execution of such projects or programmes, including whether directly by the Company, through implementing agencies, through collaboration with other companies, or through permitted ZCZP Instruments on the Social Stock Exchange;
- the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- the monitoring and reporting mechanism for the projects or programmes;
- details of need and impact assessment, if any, for the projects undertaken by the Company;
- the proposed outlay for each project or programme, including administrative overheads and permissible impact assessment expenditure, if any; and
- the reasons for any shortfall against the prescribed CSR obligation, if applicable.

CSR FOCUS AREAS AND ACTIVITIES

The Company may, in every financial year, spend such amounts on its CSR activities as the CSR Committee may authorise from time to time subject to the limits as approved by the Board, provided that the Board shall ensure that the CSR expenditure is compliant with the CSR Regulations and aligns with acticites listed in Schedule VII of the Companies Act, 2013.

Any revenue, returns, and profits, arising from any of the CSR activities, projects or programmes shall not form part of the business profit of the Company and shall be invested into the same project or shall be transferred to the 'unspent CSR account' and spent in pursuance of the CSR Policy and the CSR Annual Plan or transferred to a fund specified in Schedule VII of the Companies Act, within a period of six months of the expiry of the financial year.

If the Company's expenditure in respect of its CSR activities is in excess of the minimum spending requirement provided under the Companies Act, such excess amount may be set off against the minimum spending requirement of the Company for up to the immediate 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, and
(b) the Board shall pass a resolution to that effect.

The Company shall undertake CSR spending in accordance with the CSR Regulations, as amended from time to time.

Activities Not Qualifying as CSR

The following activities shall not be treated as eligible CSR activities:

- activities undertaken in pursuance of the normal course of business of the Company, except to the extent specifically permitted under the CSR Rules;
- activities undertaken outside India, except training of Indian sports personnel representing any State or Union Territory at national level or India at international level, as permitted under the CSR Rules;
- contribution of any amount, directly or indirectly, to any political party under Section 182 of the Act;
- activities designed exclusively for the benefit of the employees of the Company or their families;
- sponsorship activities for deriving marketing benefits for products or services of the Company;
- activities carried out for fulfilment of any statutory obligation under any law in force in India;
- activities which do not have a public welfare purpose or are not relatable to Schedule VII of the Act; and
- any other activity excluded by the Act, CSR Rules or any applicable regulatory guidance from time to time.

CSR Implementation

The Company may implement CSR projects and programmes directly or through eligible implementing agencies, or in collaboration with other companies, in accordance with the CSR Rules.

The Board shall ensure that CSR activities are undertaken by the Company itself or through any of the following eligible implementing agencies, subject to registration and other conditions prescribed under the CSR Rules:

- a company established under Section 8 of the Act, or a registered public trust or registered society, exempted under the prescribed provisions of Section 10(23C) or registered under Section 12A and approved under Section 80G of the Income-tax Act, 1961, established by the Company either singly or along with any other company;
- a company established under Section 8 of the Act or a registered trust or registered society established by the Central Government or State Government;
- an entity established under an Act of Parliament or a State Legislature and undertaking activities covered under Schedule VII of the Act; or
- a company established under Section 8 of the Act, or a registered public trust or registered society, exempted under the prescribed provisions of Section 10(23C) or registered under Section 12A and approved under Section 80G of the Income-tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

The Company shall conduct appropriate due diligence of implementing agencies, including verification of their registration, governance credentials, statutory approvals, CSR Registration Number, track record, utilisation mechanism, project capacity and reporting systems.

The Company may engage international organisations for designing, monitoring and evaluation of CSR projects or programmes and for capacity building of its personnel for CSR, in accordance with the CSR Rules.

The Company may collaborate with other companies for undertaking CSR projects or programmes in a manner that enables each participating company to report separately on such projects or programmes in accordance with the CSR Rules.

TREATMENT OF UNSPENT CSR AMOUNT

The Company shall deal with any unspent CSR amount in accordance with Section 135 of the Act and the CSR Rules.

- Where the unspent amount relates to an ongoing project, the Company shall transfer such unspent amount within thirty days from the end of the financial year to the Unspent CSR Account and utilise the same for the ongoing project within the period prescribed under the Act. Any amount remaining unspent after such period shall be transferred to a fund specified in Schedule VII within the prescribed timeline.
- Where the unspent amount does not relate to an ongoing project, the Company shall transfer such amount to a fund specified in Schedule VII within six months from the end of the financial year or within such period as may be prescribed under the Act and CSR Rules.
- The Board shall specify the reasons for not spending the prescribed CSR amount in its report and shall ensure appropriate disclosure in the annual report on CSR.

MONITORING, EVALUATION AND CERTIFICATION

The CSR Committee shall put in place a transparent monitoring mechanism for CSR activities. Monitoring may include periodic progress reports, site visits, review meetings, utilisation certificates, completion reports, beneficiary feedback, financial statements, independent verification and any other method considered appropriate for the nature of the project.

The Chief Financial Officer of the Company or the person responsible for financial management shall certify that CSR funds disbursed have been utilised for the purposes and in the manner approved by

the Board.
For ongoing projects, the Board shall monitor implementation with reference to the approved timelines and year-wise allocation and may modify the project, if required, for smooth implementation within the overall permissible time period, based on recommendation of the CSR Committee and reasonable justification.

Where the Company is required to undertake impact assessment under the CSR Rules, the impact assessment shall be conducted through an independent agency for qualifying CSR projects. The report shall be placed before the Board and annexed to the annual report on CSR, or disclosed through such web-link and executive summary as may be permitted under applicable law. The expenditure on impact assessment may be booked as CSR expenditure within the limit prescribed under the CSR Rules.

REPORTING AND DISCLOSURE

The Board's report for each financial year shall include an annual report on CSR containing the particulars prescribed under the CSR Rules, as applicable to the Company.

The Company shall disclose the composition of the CSR Committee, this Policy and the CSR projects approved by the Board on the website of the Company, if any, for public access, in accordance with the CSR Rules.

The Company shall comply with the SEBI Listing Regulations, including applicable requirements relating to annual report, website disclosures, corporate governance, sustainability reporting, Business Responsibility and Sustainability Reporting, and disclosures to the stock exchanges, as may be applicable from time to time.

All CSR records, approvals, utilisation certificates, progress reports, impact assessment reports, Board and Committee minutes, implementing agency documents and related records shall be maintained in accordance with the Company's document retention policies and applicable law.

AMENDMENTS AND REVIEW

Subject to applicable laws, the Board (or "the Board upon the recommendation of the CSR Committee") may amend, suspend or rescind this policy at any time. Any issues pertaining to the Policy shall be resolved by the Board in line with the broad intent of the Policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy.

In the event of any conflict between the provisions of this Policy and any applicable law, such applicable law in force, shall prevail over this Policy.

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