

MUKKA PROTEINS LIMITED
(PREVIOUSLY KNOWN AS MUKKA SEA FOOD INDUSTRIES LIMITED / MUKKA
SEA FOOD INDUSTRIES PRIVATE LIMITED)

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY
(Corporate Social Responsibility (CSR) policy has been approved in the Board
Meeting dated 18th January 2022)

1. Introduction

1.1. Philosophy

At **Mukka Proteins Limited** (Previously known as Mukka Sea Food Industries Limited / Mukka Sea Food Industries Private Limited) (hereinafter referred to as 'the Company') we never lose sight of our responsibility to the environment and society. Our commitments towards **Corporate Social Responsibility** include but not limited to, promotion of education and healthcare, energy and climate change, and betterment of the society through respect for universal human rights and the environment, acting with integrity and accountability and operating responsibly and sustainably.

1.2. CSR in India

Corporate bodies' involvement in CSR activities is not a new concept in India. Industrial majors are engaged in social development activities since long back. However, the **Companies Act, 2013** has brought it under the legal purview. The concept of CSR is introduced through "Comply-or-Explain" mandate. It mandates qualifying companies to constitute Corporate Social Responsibility Committee to effectively monitor CSR activities of the Company. Further the Companies (Corporate Social Responsibility Policy) Rules, 2014 (hereinafter referred to as "the CSR Rules") lay down the framework and modalities for carrying out CSR activities which are specified in Schedule VII of the Act.

2. Objective and Scope

2.1. Objective

The main objective of the CSR Policy is to lay down guidelines for the company to make CSR as one of the key focus areas to adhere to the Company's global interest in environment and society that focuses on making a positive contribution to society through effective impact and sustainable development programs.

This Policy covers the proposed CSR activities to be undertaken by the Company and ensuring that they are in line with Schedule VII of the Companies Act, 2013 ("the Act")

as amended from time to time. It covers the CSR activities which are being carried out in India only and includes strategy that defines plans for future CSR activities.

2.2. Scope & Coverage

The CSR activities of the Company shall include, but not limited to any or all of the sectors/activities as may be prescribed by Schedule VII of the Act as amended from time to time. Further, the Company will review the sectors/activities from time to time and make additions/ deletions/ clarifications to the above sectors/activities.

3. Corporate Social Responsibility (CSR) Committee

3.1. Constitution

Pursuant to the provisions of Section 135 of the Act, the Board of Directors shall constitute the **Corporate Social Responsibility (CSR)** Committee. The Members of CSR Committee shall be appointed by the Board of Directors of the Company which consists of three or more Directors, out of which at least one director shall be an Independent Director. The Board may change the composition of the CSR Committee from time to time in such manner as it thinks fit.

3.2. Functions and Powers of Committee

To effectively implement the objectives of the Company with respect to CSR, the Committee is vested with the following functions and powers:

- a) Formulate CSR Policy and recommend the same to the Board of Directors of the Company for approval.
- b) Recommend CSR activities as stated under Schedule VII of the Act.
- c) 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.
- d) Recommend the CSR Budget.
- e) Spend the allocated CSR amount on the CSR activities once it is approved by the Board of Directors of the Company in accordance with the Act and the CSR Rules.
- f) Create transparent monitoring mechanism for implementation of CSR initiatives in India.
- g) formulate and recommend to the Board, an annual action plan which shall include the following, namely:-
 - (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.
- h) Submit the Reports to the Board in respect of the CSR activities undertaken by the Company
- i) Monitor CSR Policy from time to time.
- j) Monitor activities/charter of Internal Working and Monitoring Group (WG) who are authorized to ensure that the CSR activities of the Company are implemented effectively.
- k) Authorize executives of the Company to attend the CSR Committee Meetings, if necessary.

3.3. Meetings of the Committee

For smooth functioning of the Committee, the members shall meet as below to discuss such matters and to take such decisions as may be necessary;

- a. The CSR Committee shall hold meetings at such intervals as the Board may feel necessary.
- b. The members of the Committee may mutually agree between them regarding time and place for the said meetings.
- c. The quorum for the CSR Committee Meeting shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or two members, whichever is higher.
- d. The Members of the Committee may participate in the meeting either in person or through video conferencing or other audio visual means as may be convenient.

4. CSR Spend

The Companies Act, 2013 prescribes that the companies which meet the criteria specified under Section 135 shall allocate certain portion of its annual net profits (calculated as per Sec. 198) during the three immediately preceding financial years to be spent on CSR Activities that fall under the categories specified under Schedule VII of the Act.

4.1. CSR Expenditure

Net profit for the purpose of allocation towards CSR means profit more fully described under Rule 2(h) of the CSR Rules. The CSR expenditure shall include all expenditure including contribution to corpus or on projects or programs relating to CSR activities

approved by the Board of Directors on the recommendation of its CSR Committee but does not include any expenditure on an item not in conformity or not in line with activities stated under Schedule VII of the Act.

4.2. Failure to spend the CSR Money

If the Company fails to spend the required amount in a particular financial year, it is the duty of the Committee to submit a report in writing to the Board of Directors specifying the reasons for not spending the amount, which in turn shall be reported by the Board of Directors in their Annual Report pertaining to that particular Financial Year and, unless the unspent amount relates to any ongoing project referred to in sub-section (6) of Section 135, transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

Surplus, if any, arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company. Further if the company spends an amount in excess of the requirements provided under sub-section 5 Section 135, it may set off such excess amount against the requirement to spend for such number of succeeding financial years and in such manner, as may be prescribed.

4.3. Special Unspent CSR Account

A special bank account, called an Unspent CSR Account for each financial year to be opened by the Company in any scheduled bank. The account shall be credited with following

- i. Any amount remaining unspent pursuant to any ongoing project, undertaken by a Company in pursuance of its CSR Policy shall be transferred by the Company to the unspent CSR Account within a period of thirty days from the end of the financial year.
- ii. The amount transferred to the unspent CSR account shall be spent by the Company in pursuance of its obligation towards the CSR Policy within a period of three financial years from the date of such transfer.
- iii. Any surplus amount from CSR Project which is discontinued or completed.

For ongoing projects if the Company fails to spend the amount within a period of three financial years, the amount shall be transferred to a Fund specified in the Act and rules made there under, within a period of thirty days from the date of completion of the third financial year.

5. CSR Initiatives

Pursuant to Schedule VII of the Act and the CSR Rules, the Company shall undertake CSR activities included in its Annual CSR Plan, as recommended by the CSR Committee at the beginning of each year. The Committee is authorized to approve any modification to the existing Annual CSR Plan or to propose any new program during the financial year under review.

5.1. Annual CSR Plan

The Annual CSR Plan is a yearly plan of CSR activities that would be placed before the Board of Directors of the Company based on recommendation of its CSR Committee which outlines inter alia the following aspects of CSR initiatives of the Company:

- Project Proposals
- Targeted Beneficiaries and their key needs
- Alignment with Schedule VII
- Project Goals and milestones
- Activities and Timelines including expected closure dates
- CSR Budget with projections
- Monitoring mechanism
- Progress reporting and frequency of reports
- Risks and mitigation strategies
- Any other information as may be required by the CSR Committee

5.2. Collaboration

It is expressly allowed under the CSR Rules that the Company may collaborate with any other Company or association formed in this regard subject to approval by CSR Committee, to implement CSR activities and the same shall form a part of the Annual CSR Plan.

6. Reporting and publication of CSR policy

As per the CSR Rules, the contents of the CSR Policy shall be included in the Directors' Report and the same shall be displayed on the Company's website, if any.

7. Monitoring Mechanism

The CSR Committee shall ensure effective implementation and monitoring of the projects approved by it from time to time in such manner as it deems fit. The Committee shall also ensure that a transparent monitoring mechanism is put in place.

7.2 Reporting by Internal Working and Monitoring Team

The Internal Working and Monitoring Team will report / give feedback to the CSR Committee for all CSR projects undertaken.

The Internal Working and Monitoring Team shall submit reports to the CSR Committee of the Company at such intervals as it deems necessary on the progress of the various projects approved by the Committee and entrusted to the Group for implementation and monitoring.

8. Policy review and future amendment

The administration of the CSR Policy of the Company and the execution of identified CSR projects, programs and activities under it shall be carried out under the control and overall supervision of an internal monitoring group formed for this purpose.

The internal monitoring group shall submit its report at such intervals as it deems necessary to the CSR committee formed under the Act, which shall monitor the CSR policy of the Company from time to time.

Further, the Board of Directors may revise/ amend this CSR Policy based on the recommendations of the CSR committee or to bring the same in line with the guidelines or amendments issued from time to time by Government on the subject.