

M.V.K. AGRO FOOD PRODUCT LIMITED

(CIN: L15316MH2018PLC304795)

Reg. Office: Gut No. 44 And 46, Kusumnagar, At Post Waghalwada,
Umari, Nanded - 431807, Maharashtra, India

CORPORATE SOCIAL RESPONSIBILITY POLICY

(Effective from 20/12/2023)

PREAMBLE:

M.V.K. Agro Food Product Limited (“Company”) has formulated the Corporate Social Responsibility Policy in compliance with Section 135 of the Companies Act, 2013 (hereinafter referred as “the Act”) read with Companies (Corporate Social Responsibility Policy) Rule, 2014 and Schedule VII of the Companies Act, 2013. It shall apply to all CSR Projects/ Programmes undertaken by the Company as per the liberal interpretation of activities listed in Schedule VII of the Act, within the geographical limits of India, preferably towards the benefits of marginalised, disadvantaged, poor, and deprived sections of the community and the sustainable environment. Capitalized terms used in this Policy and not defined herein shall have the meaning as ascribed to them under the Act. This policy was initially adopted by the Board on 20th December, 2023.

1. OBJECTIVE:

- The main objective of the CSR Policy is to lay down guidelines for M.V.K. Agro Food Product Limited to make CSR as one of the key focus areas to adhere to the company’s interest in health, 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 ensures that they are in line with Schedule VII of 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. SCOPE AND 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 Companies Act, 2013 amended from time to time. Further, the Company shall review the sectors/activities from time to time and make additions/deletions/ clarifications to the above sectors/activities.

3. DEFINITIONS:

“Act” means the Companies Act, 2013.

“Board” means the Board of Directors of the Company.

“Company” means M.V.K. Agro Food Product Limited or “M.V.K.”.

“Corporate Social Responsibility” 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 Companies (CSR Policy) Amendment Rules, 2021.

“CSR Committee” means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.

"**CSR Policy**" means a statement containing the approach and direction given by the board of a company, taking into account the recommendations of its CSR Committee, and includes guiding principles for selection, implementation, and monitoring of activities as well as formulation of the annual action plan.

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

"**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.

Words and expressions used and not defined in these rules but defined in the Act shall have the same meanings respectively assigned to them in the Act and CSR Rules as applicable to the Company.

5. CONSTITUTION OF CSR COMMITTEE:

Pursuant to the provisions of Section 135 of the Companies Act, 2013, the Board of Directors shall constitute the Corporate Social Responsibility (CSR) Committee.

The Corporate Social Responsibility Committee shall:

1. Formulate and recommend to the Board, the CSR Policy which shall indicate activities to be undertaken by the Company in areas or subjects, specified in Schedule VII of the Act;
2. Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
3. Monitoring the CSR Policy of the Company from time to time.
4. formulate and recommend an annual action plan in pursuance of CSR Policy covering the following aspects:
 - (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 rule 4(1) of CSR Rules;
 - (iii) the modalities of utilisation of funds and implementation schedules for the projects or programs;
 - (iv) monitoring and reporting mechanism for the projects or programs; and
 - (v) details of need and impact assessment, if any, for the projects undertaken by the Company;

The Board may alter such plans at any time during the financial year, as per the recommendation of its CSR Committee, based on the reasonable justification to that effect.

6. CSR ACTIVITIES:

The Company shall upon the recommendation of the CSR Committee and with the necessary approval of the Board, undertake any of the following activities, as a part of its Corporate Social Responsibility initiative, which are defined in Schedule VII of the Companies Act, 2013:

- 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.
- promoting education, including special education and employment enhancing vocation skills, especially among children, women, elderly, and the differently abled and livelihood enhancement projects.
- promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, daycare centres, and such other facilities for senior citizens, and measures for reducing inequalities faced by socially and economically backward groups.
- ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources, and maintaining the quality of soil, air, and water including contribution to the Clean Ganga Fund set up by the Central Government for rejuvenation of river Ganga.
- 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.
- 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.
- training to promote rural sports, nationally recognized sports, paralympic sports, and Olympic sports.
- 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 govt. for socio-economic development and relief and welfare of the scheduled caste, tribes, other backward classes, minorities, and women.
- (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 the 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).

- rural development projects.
- slum area development.

Explanation - For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government, or any other competent authority under any law for the time being in force.

- disaster management, including relief, rehabilitation, and reconstruction activities.

Further, the Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities.

The above areas as enshrined in Schedule VII to the Act and included in this policy aims to provide macro areas in which CSR projects should be undertaken by the company. The CSR Committee should consider details of CSR projects as elaborated in the annual action plan for each financial year.

Any CSR activity proposed to be undertaken as a CSR initiative, but not specifically covered in the aforesaid, may be undertaken only with the prior approval of the Board and CSR Committee.

7. CSR BUDGET:

- The Board of the Company shall ensure that the Company spends, in every financial year, at least 2% (Two percent) of the average net profits of the Company made during the three immediately preceding financial years, as prescribed under section 135 of the Companies Act, 2013.
- If a company spends an amount in excess of the requirement provided under sub-section (5) of section 135, such excess amount may be set off against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to such conditions.
- If the company fails to spend such amount, the Board shall, in its report, specify the reasons for not spending the amount and 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 or transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

8. IMPLEMENTATION:

The Board shall ensure that the CSR activities are undertaken by the Company itself or through, –

- a Company established under section 8 of the Companies Act, 2013, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80G of the Income Tax Act, 1961 (43 of 1961), established by the Company, either singly or along with any other Company; or
- a Company established under section 8 of the Companies Act, 2013 or a registered trust or a registered society, established by the Central Government or State Government; or
- any entity established under an Act of Parliament or a State legislature; or
- a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

9. MONITORING:

- It will be the responsibility of the CSR Committee to monitor periodically the implementation of the projects/programmes /activities under this CSR policy.
- The Board of a Company shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
- In case of the ongoing 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.
- If the Company having an average CSR obligation of ten crore rupees or more in pursuance of subsection (5) of section 135 of the Act, in the three immediately preceding financial years, shall undertake impact assessment, through an independent agency, of their 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.
- The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

- A Company undertaking impact assessment may book the expenditure towards Corporate Social Responsibility for that financial year, which shall not exceed two percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is higher.

10. DISCLOSURE:

The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on their website, if any, for public access and Annual Report on CSR shall be published in the Board's Report of the Company in the format prescribed under the Act and CSR Rules.

11. REVIEW:

The CSR Committee shall be fully responsible for the monitoring and review of the implementation of this policy in accordance with applicable laws from time to time. The CSR Committee shall provide recommendations as and when it deems necessary to the Board so as to amend/ modify/ revise the CSR Policy.

12. INTERPRETATION:

In case of any conflict between the provisions of this Policy and provisions of any applicable law, the provisions of the applicable law shall prevail over this Policy. Any subsequent amendments/modifications in the provisions of applicable law shall automatically apply to this Policy.
