

CORPORATE SOCIAL RESPONSIBILITY POLICY

OVOBEL FOODS LIMITED

Version No.	1.1
Authorized by	CSR Committee
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Whenever you are in doubt... recall the face of the poorest and the weakest man whom you may have seen and ask yourself if the step you contemplate is going to be of any use to him? Will he gain anything by it? Will it restore him to control over his own life and destiny? That test alone can make our plans and programmes meaningful.

- Mahatma Gandhi

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

As approved by the Board of Directors vide Resolution No. 8 passed at its meeting held on April 30, 2015)

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1. CONTEXT

Ovobel Foods Limited ('OFL' or 'Company') believes in integrating its business values and operations to meet the expectations of all stake holders – owners, employees community in which it operates and the regulators; based on this guiding philosophy, the Company approaches its CSR and is at the foundation in defining its CSR mission and vision; this philosophy has further guided the Company in choosing the CSR program as outlined in this document and its geographical reach; Based on this thought process, OFL CSR policy has been framed to drive planning, implementation and evaluation of initiatives and resources;

OFL these years was incurring huge losses and was a BIFR Company. Subsequent to the financial year March 2015, the Company has a profitable position.

Even in the decade of the operations when OFL was under losses and it was a BIFR company, the company has engaged for being a socially responsible Company. Apart from taking care of hygiene, compliance and running a responsible business, has been engaged the social upliftment of several families in the geographical location of factory at Malur. OFL has participated in several socially responsible activities and has conducted business in a socially responsible manner.

2. OBJECTIVES

OFL CSR policy aims at:

- Economic and social development that has a positive impact on the society at large
- The Company core focus areas for CSR would be
 - EDUCATION:** Promoting education, including special education and employment-enhancing vocational skills especially among children, women, elderly and the differently abled, and livelihood enhancement projects; monetary contributions to academic institutions for establishing endowment funds, chairs, laboratories, etc., with the objective of assisting students in their studies.

3. FOCUS AREAS

In accordance with the requirement under the Companies Act, 2013, OFL CSR activities, will focus on:

- **HUNGER, POVERTY, MALNUTRITION AND HEALTH:** Eradicating extreme hunger, poverty and malnutrition, promoting preventive healthcare and sanitation and making available safe drinking water.
- **EDUCATION:** Promoting education, including special education and employment-enhancing vocational skills especially among children, women, elderly and the differently abled, and livelihood enhancement projects; monetary contributions to academic institutions for establishing endowment funds, chairs, laboratories, etc., with the objective of assisting students in their studies.
- **RURAL DEVELOPMENT PROJECTS:** Strengthening rural areas by improving accessibility, housing, drinking water, sanitation, power and livelihoods, thereby creating sustainable villages.
- **GENDER EQUALITY AND EMPOWERMENT OF WOMEN:** Promoting gender equality and empowering women; setting up homes, hostels and day care centers for women and orphans; setting up old age homes and such other facilities for senior citizens; and adopting measures for reducing inequalities faced by socially and economically backward groups.
- **ENVIRONMENTAL SUSTAINABILITY:** Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining the quality of soil, air and water.
- **NATIONAL HERITAGE, ART AND CULTURE:** Protecting national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promoting and developing traditional arts and handicrafts.

4. UNDERTAKING CSR ACTIVITIES

OFL will undertake its CSR activities, approved by the CSR Committee, through the OFL Foundation or such other entity/organization as approved by the CSR Committee.

The surplus arising out of the CSR activities, projects or programs shall not form part of the business profit of the Company.

5. LOCATION OF CSR EFFORTS

The CSR committee will decide on the locations for CSR activities.

6. GOALS

Our goals include the following:

Sl.No	Goal area	Actions
1	Hunger, poverty, malnutrition and healthcare	OFL will work with various non-profit organizations that run mid-day meal programs in schools across India and may establish kitchens that provide meals to school children. OFL will work with organizations working in medical or health-related projects such as providing support for cancer treatment, cataract surgeries, etc.
2	Education	OFL focus on education will be on two fronts: <ul style="list-style-type: none"> • To train students from under privileged backgrounds in its various development centers. • Provide grants to various colleges in India for improving their infrastructure. Sponsor chairs and create endowment funds for the colleges/universities to assist students with their studies.
3	Rural Development	We believe that the well-being of people living in rural areas ensures sustainable development. We will work with local administrations to achieve community development goals. We will partner with governments and NGOs and support them in improving infrastructure such as constructing roads, providing drainage systems and electricity, and rehabilitating natural-disaster affected victims in rural areas.
4	Gender equality, environmental sustainability, art and Culture.	OFL will, among other things, focus on promoting gender equality and empowering women, ensuring environmental sustainability, ecological balance, protection of flora and fauna and protection of national heritage, art and culture including restoration of buildings and sites of historical importance.

7. COMPOSITION 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 Members of CSR shall be appointed by the Board of Directors of the Company which must consist of three or more directors of which, one will be an independent director namely:

- Managing Director- Mr.Mysore Satish Sharad
- Independent Director- Ms.Pooja Jain
- Director- Mr.Channappa Bhavihal Gurusiddappa
- Director- Mr.Syed Fahad

8. RESPONSIBILITIES OF THE COMMITTEE

The responsibilities of the CSR Committee include:

- i. Formulate CSR Policy and recommend the same to the Board of Directors of the Company for approval
- ii. Recommend CSR activities as stated under Schedule VII of the Act
- iii. Recommend the CSR Budget
- iv. 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
- v. Submit the Reports to the Board in respect of the CSR activities undertaken by the Company
- vi. Monitor CSR Policy from time to time
- vii. Authorize executives of the Company to attend the CSR Committee Meetings

9. GOVERNANCE

The Company through a registered trust or a registered society can undertake CSR activities as per the provisions of the Companies Act, 2013. Accordingly, OFL Foundation or such other entity will work closely with and support the Board and the CSR Committee in implementing CSR activities of the Company. OFL Foundation or such

other entity will assist the CSR Committee in identifying the areas of CSR activities, programs and execution of initiatives as per defined guidelines. OFL Foundation or such other entity will also assist the Board and the CSR Committee in reporting the progress of deployed initiatives and in making appropriate disclosures (internal/external) on a periodic basis.

10. FUNDING, SELECTION AND MONITORING PROCESS

OFL Foundation or such other entity will receive requests for funding of projects throughout the calendar year. Its panel of experts will evaluate proposals received under the Foundation's focus areas and projects will be prioritized by assessing their impact. The Foundation or such other entity will then forward its recommendations to the CSR Committee. The CSR Committee will deliberate on the proposals and approve proposals for implementation at its discretion.

OFL representatives and/or OFL Foundation or such other entity will collaborate with stakeholders to monitor the status of each project and will report its findings to the CSR Committee periodically.

11. MONITORING, REVIEW AND EVALUATION

Monitoring & Review:

The Company has recently implemented the CSR Initiative and contributions for the program identified by the Company have been contributed during Q4 of the financial year under reporting. As such, the Company is in the process of implementing a multi-pronged monitoring, review and Program evaluation plan. Following are some indications of how the plan may evolve over time:

Level 1: Local review - dissemination of MIS and exception reports by employees / Senior CSR Volunteers to the CSR Committee; Senior Leaders review on the progress, effectiveness, action plans and support required for the program – on a monthly basis.

Level 2: CSR Committee to meet and review the progress and recommendations of the CSR team and decide on any course correction, if needed to ensure the Company' CSR Program is on course.

Level 3: Board Committee on CSR Review on quarterly basis.

Evaluation:

There are two kinds of evaluation that the Company shall undertake:

Internal Evaluation: CSR team shall, based on site visits and other inputs it may seek on the program implementation such as program effectiveness index or such other tools, decide the outcome of the Program.

External Evaluation: Once in 3 years, the CSR Committee may appoint / work with external consultants, academic agency or such other agency as it may deem appropriate to have the impact of its CSR program assessed.

Apart from the above, the basis for selecting any program shall be based on socio-economic baseline studies to assess the community needs and priorities and periodically align its own CSR Programs to the community needs.

12. FREQUENCY OF MEETING

The meetings of the Committee could be held at such periodic intervals as may be required.

13. EFFECTIVE DATE

This policy is effective from 30th April, 2015

14. CONTACT

For queries related to the CSR Policy, please write to us at:
<http://www.ovobelfoods.com/>