

**CORPORATE SOCIAL RESPONSIBILITY POLICY OF
"BHOLE BABA MILK FOOD INDUSTRIES LIMITED"**

INDEX

S.N.	<u>Particular</u>	<u>Page No</u>
1	Background	1
2	CSR Committee	1
2.1	• Constitution	1
2.2	• Power of the Committee	1
2.3	• Frequency of the Meetings of the CSR Committee	2
3	CSR BUDGET	2
3.1	• Expenditure on CSR capabilities	2
3.2	• Failure to spend the CSR Money	3
3.3	• Territory for CSR spend	3
4	CSR INITIATIVES	3
4.1	• Activities not to be counted as CSR by the Company	3
5	Audit of CSR Expenditure	4
6	CSR Monitoring and Reporting Mechanism	4
7	Publication of the CSR Policy	4
8	Change / modification in CSR Policy	4

CORPORATE SOCIAL RESPONSIBILITY POLICY OF “BHOLE BABA MILK FOOD INDUSTRIES LIMITED”

1. BACKGROUND

Corporate Social Responsibility is Company's sense of responsibility towards the community and environment in which it operate. It is continuing commitment by Company to behave ethically and contribute to economic development of the society at large and to build capacity for sustainable livelihoods.

The new Companies Act 2013 (hereinafter referred to as ‘the Act’), has introduced the concept of CSR to the forefront and through its “Comply-or-Explain” mandate and put formal and greater responsibility on companies to set out clear framework and process to ensure strict compliance. It mandates qualifying Companies to constitute Corporate Social Responsibility Committee to effectively monitor CSR activities of the Company.

Though this policy has been formulated and adopted in terms of section 135 of the Companies Act, 2013 and the CSR Rules to undertake CSR activities which are specified in Schedule VII of the Act, the Company right from inception has made consistent effect to maintain an active Corporate Social Responsibility portfolio.

2. CSR COMMITTEE

2.1 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 shall be appointed by the Board of Directors of the Company which must consist of three or more Directors out of which at least one director shall be an independent director.

2.2 Powers of the Committee

Following are the Powers of the CSR Committee:

- 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 in collaboration with other Companies/firms/NGOs etc. and to separately report the same in accordance 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

CORPORATE SOCIAL RESPONSIBILITY POLICY OF "BHOLE BABA MILK FOOD INDUSTRIES LIMITED"

- g) Submit the Reports to the Board in respect of the CSR activities undertaken by the Company
- h) Monitor CSR Policy from time to time
- i) Authorize executives of the Company to attend the CSR Committee Meetings

2.3 Frequency of the Meetings of the CSR Committee

The CSR Committee shall meet at least twice in a Financial Year. Members of the CSR Committee can agree upon mutually regarding time and place for the said meetings. Quorum for the meeting should be 1/3 of its total strength or two whichever is higher. The Members of the Committee may participate in the meeting either in person or through video conferencing or other audio visual means in accordance with the provisions of the Companies Act, 2013 and rules made there under from time to time. The Senior Management may attend the CSR Committee Meetings as may be appropriate, subject to the approval of the CSR Committee.

Proceedings of all meetings must be minuted and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled /put up by on the date of subsequent Board and Committee meeting. If the Board Meeting and Committee meeting are held on the same date, the minutes of Committee Meeting will be tabled on next subsequent Board Meeting.

3. CSR BUDGET

The Company shall ensure that it spends, in every financial year, at least 2% of its average net profits made during the 3 immediately preceding Financial Years in pursuance of its Corporate Social Responsibility and subject to Section 135 of the Companies Act, 2013 and rules made there under.

For the purpose of this policy, the First CSR spending financial year would be 2014-15 and the net profit shall mean average of annual net profits of the financial years 2011-12, 2012-13 and 2013-14.

3.1 Expenditure on CSR capabilities

The Company may build CSR capabilities of their own personnel as well as of their Implementing Agencies, if any and such expenditure shall not exceed 5% of the total CSR expenditure of the Company as stated in the Rules from time to time. Determination of whether a particular expenses fall within this 5% cap can be decided in consultation with the General Manager /Chief General Manager of the Company based on the clarification available from time to time in this regard.

CORPORATE SOCIAL RESPONSIBILITY POLICY OF “BHOLE BABA MILK FOOD INDUSTRIES LIMITED”

3.2 Failure to spend the CSR Money

In case the Company fails to spend the above targeted amount in that particular financial year, the Committee shall 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 Directors' Report for that particular Financial Year. Surplus arising out of the CSR initiatives shall not form part of the business profits of the Company, if any surplus arise, then it should be contributed to the Prime Minister's National Relief Fund.

3.3 Territory for CSR spend

The Company shall give preference to the local area and areas around the branches, regional office and administration offices for spending the amount earmarked for CSR activities. The activities will be restricted to the geographical boundaries of India.

4. CSR INITIATIVES

In line with Schedule VII of the Act and the CSR Rules, the CSR activities will be executed directly or through a registered trust or a registered society or a company established under section 8 of the Act by the company, either singly or alongwith its holding or subsidiary or associate company, or alongwith any other company or holding or subsidiary or associate company of such other company' or otherwise.

Currently, Company shall undertake the CSR activities in below mentioned area:

- 1- Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation and making available safe drinking water;
- 2- Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- 3- 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; “including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga”

4.1 Activities not to be counted as CSR by the Company

1. Any amount of expenditure on an item not conformity or not in line with activities mentioned in the sub-clause 4 above.
2. Amount to spend on projects or programs or activities that benefit only the employees of the Company and their families.

**CORPORATE SOCIAL RESPONSIBILITY POLICY OF
“BHOLE BABA MILK FOOD INDUSTRIES LIMITED”**

3. Contribution of any amount to a political party.
4. Activities that are undertaken by the Company in pursuance of its normal course of Business.

5. Audit of CSR Expenditure

The CSR committee may get the amount of CSR spend audited to confirm whether the amount is spend for the CSR projects or programs or activities approved by the Board of Directors of the Company.

6. CSR Monitoring and Reporting Mechanism

The CSR Committee shall monitor the amount of expenditure as approved by the Board of Company on the half yearly basis and make report to the Board of Directors accordingly. Apart from above, the Director's Report of the Company shall include an annual report on CSR containing the particular in the prescribed format (enclosed).

7. Publication of the 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.

8. Change / modification in CSR Policy:

The Board of Directors on its own and/or as per recommendations of CSR Committee can amend this policy, as and when required as deemed fit. Any or all provisions of the CSR policy would be subject to revision/amendment in accordance with the regulations on the subject as may be issued from relevant statutory authorities, from time to time.