

MEGASTAR FOODS LIMITED

CIN: L15311CH2011PLC033393

Regd. Office: PLOT NO. 807, INDUSTRIAL AREA, PHASE-II CHANDIGARH

160102, E-Mail – cs@megastarfoods.com

Website: www.megastarfoods.com

Corporate Social Responsibility Policy

1. Preamble

Corporate Social Responsibility aims to address the economic, environmental conditions as well as social sustainability of any business to make its strategy valuable for all its stakeholders. India has become the only country to have mandatory Corporate Social Responsibility across globe.

MEGASTAR FOODS LIMITED is one of India's fastest growing flour manufacturing company. The Company has set up "flour & its Derivatives" manufacturing plant based on latest technology at Kurali-Ropar Road, Village Solkhian- 104108, distt. Roopnagar, Punjab

The Plant has a capacity to manufacture 98,000 M.T. per annum of equivalent compressed flour. The company is manufacturing Whole Wheat Flour, Refined Wheat Flour, Semolina (Rawa and Suji), Bran since November 2011.

Every employee of MEGASTAR FOODS LIMITED is motivated, skilled and is the strength of the company. He/She is also large hearted and willing to share his/her time and talent with others to help build a better, stronger and safer community.

2. Title & Applicability

The policy has been developed in consonance with Section 135 of the Companies Act 2013 (referred to as the '-Act' in the policy) on Corporate Social Responsibility (CSR) and in accordance with the CSR Rules notified thereof by the Ministry of Corporate Affairs, Government of India and shall apply to all CSR projects undertaken by Everest Industries Limited as per Schedule VII of the Act, within the geographical limits of India only, for the benefit of marginalized, disadvantaged, poor or deprived sections of the community, environmental sustainability, gender equality, protecting national heritage, etc.

3. Objective

To engage organizational resource and capacity to improve the social, economical, cultural and environmental conditions of community at large through sustainable development interventions and imbuing the societal values in stakeholders.

4. Megastar Foods Limited CSR Philosophy /Approach

We engage in such service to build our own capacity and not just for the sake of the project beneficiaries. Serving others instills a sense of deep gratitude towards society, helps us develop emotionally, spiritually and creates a sense of deep fulfillment to experience true happiness.

All philanthropy comes from the heart. The values of giving must permeate through every person in our organization.

- To provide a platform for all our team members to engage in social causes and community building.
- Projects must make an exponential positive impact on the lives of beneficiaries and the benefactors.
- Integrate CSR projects with our scope of business and expertise so we can add value to make them sustainable.
- Implement CSR projects in the vicinity of our company's operations with a view to maintain a long term association and build a better community.
- Develop skill and build human capacity, make our community employable and generate employment opportunities.
- Improve standards of environment, health and safety through the business practices of the company and our colleagues. Serve as role models for the community and enlist their support through education and training.
- Collaborate with grass root NGOs and organizations to leverage their reach and our resources and skills.
- Encourage projects which have the potential to become self sustaining movements after an initial catalytic support from the company.

5. Focus area of CSR Intervention

These areas are chosen as the focus areas for Megastar Foods Limited. They may be expanded by the CSR committee.

- Capacity building, skill development, training and employment generation,
- Preventive health care and Sanitation Environmental Sustainability
- Poverty alleviation

6. CSR committee

MEGASTAR FOODS LIMITED will institute a CSR Committee of the Board consisting three of Directors including at least one Independent Director. The Committee will meet at least once in a year. The followings will be terms of reference of the committee.

- To formulate MEGASTAR FOODS LIMITED CSR strategy, policy and goals;
- To monitor the MEGASTAR FOODS LIMITED CSR policy and performance;
- To review the CSR projects/initiatives time to time
- To ensure legal and regulatory compliance from a CSR view point
- To ensure reporting and communication to stakeholders on MEGASTAR FOODS LIMITED's CSR projects/initiative

The following Directors of the Company be and are hereby appointed as members of the Corporate Social Responsibility Committee.

- | | | |
|------|-------------------|----------------------|
| i. | Mr. Prabhat Kumar | Chairman |
| ii. | Mr. Amit Mittal | Independent Director |
| iii. | Mr. Vikas Goel | Director |

7. Implementation

MEGASTAR FOODS LIMITED will undertake the CSR projects which envisage the sustainable development and creating value for all the stakeholders engaged.

The Company Personnel will assist in implementation and monitoring of CSR projects/initiatives. The actual implementation of various projects will be broad-based with engagement of various MEGASTAR FOODS LIMITED's employees or through development organizations or through collaborative projects with likeminded corporate.

a. Implementing Agencies;

As per Rule 4 (1) and (2), the projects undertaken by us can be:

- Self-implemented
- A collaborative effort with other corporate to leverage our core business and CSR strength.

- iii. The CSR projects will be carried out through any/all of the following established by the Company either singly or along with other Company or established by the Central Government or state Government or any entity established under an Act of Parliament or a State Legislature;
 - i. A Registered Trust
 - ii. A Registered Society
 - iii. A Section 8 company registered under Companies Act, 2013;
- iv. If any of above is not established by the company, it must have an established track record of three years in undertaking similar projects.
- v. The implementing organization will be screened in accordance with proviso to Rule 4 (2) of CSR rules, and also based on the MEGASTAR FOODS LIMITED screening criteria to ascertain the organization credibility and its ability to execute the project with utmost effectiveness.

b. CSR Team

The CSR team will be responsible for the actual on-ground implementation of CSR projects across the various areas of intervention of MEGASTAR FOODS LIMITED. They will also:

- i. Be responsible for the execution of the decisions taken by the Board-level CSR Committee.
- ii. Implement projects based on set targets and action plans and regularly monitor them.
- iii. Find suitable implementation partners; conduct due diligence and get approval from the Board.
- iv. Evaluate possible collaborations with other organizations on CSR projects.
- v. Provide quarterly progress reports to the Board-level CSR Committee.

8. Monitoring of CSR projects

All CSR Projects/Activities shall be monitored directly by the MD and the CSR Committee of the Board of Directors.

Projects directly implemented by team MEGASTAR FOODS LIMITED

- i. The CSR Projects taken up by MEGASTAR FOODS LIMITED or through Contractors shall

be monitored directly by CSR team. Objectives, deliverables and desired impact will be clearly spelt out at the start of the project.

- ii. The award of contract for CSR works shall be finalized within the time frame set by the CSR team for timely initiation of the activity. Release of funds to contractors shall be defined in the work order.
- iii. Ongoing activities shall be coordinated by Head of CSR Team. All the required staff shall be provided by the respective departments for the period of the activity.
- iv. The CSR Team shall draw a time frame from the date of initiation and monitor it for timely completion.

Projects in collaboration with Government, NGOs and voluntary organizations

- v. CSR Projects taken up through NGOs / Trusts shall be evaluated and monitored jointly by CSR committee and respective organizations. An evaluation format shall be prepared for this purpose at the start of the project clearly stating the time, cost and deliverables/desired impact.
- vi. Release of funds after commencement of activity shall be linked to joint evaluation and achievement of results against predetermined tangible targets.
- vii. In case progress is not as per target on three consecutive milestones, the project will be re-evaluated by the CSR committee based on recommendations of the CSR Team.

A comprehensive monitoring mechanism has been devised by MEGASTAR FOODS LIMITED to ensure the CSR process functions as mandated by the Act and the Rules, and that all projects as budgeted are duly carried out. Monitoring may have both an electronic MIS and human architecture that must work together to ensure a firm check on the above. This may include regular field visits to project sites, activity-wise, comprehensive documentation of the same in the form of field reports, regular interaction with beneficiary communities to obtain feedback and compilation of field visit reports at regular intervals.

9. Documentation and Reporting

The CSR Team of MEGASTAR FOODS LIMITED will ensure that all CSR projects are comprehensively documented and accountability is fixed at every level of the CSR process and the implementation apparatus. A repository of case studies and good practices may be compiled to learn from and build upon successful interventions.

The Board-level CSR committee will annually publish report on the CSR projects as a part of the Director's report. The report will disclose information in the format as prescribed by the Section 135 of the Companies Act, 2013.

10. Impact assessment/Evaluation

MEGASTAR FOODS LIMITED may take up appropriate evaluation and impact assessment of the projects. Impact assessment of the project is to be done preferably after a

reasonable duration of 3- 5 years. For conducting the Impact assessment, it is necessary that the baseline data or indicators are well defined. The impact can be measured by an end line survey.

11. CSR budget

The overall amount committed to CSR as per section 135 of Act will be approved by the Board level CSR Committee as part of MEGASTAR FOODS LIMITED Annual Budget/Plan. Within CSR budgeted amount, specific CSR activities will be approved in the line process approved by the Committee of the Board. All projects undertaken by MEGASTAR FOODS LIMITED will be approved/ ratified by the CSR Committee.