

RADICO NV DISTILLERIES MAHARASHTRA LIMITED

D-192 to D-195, MIDC SHENDRA FIVE STAR INDL AREA
SHENDRA, AURANGABAD-431201 (MH.)

CORPORATE SOCIAL RESPONSIBILITY POLICY

PREAMBLE:

The concept of Corporate Social Responsibility (CSR) carries high level of importance for Radico NV Distilleries Maharashtra Limited. We understand that Government alone will not be able to get success in its endeavor to uplift the downtrodden of Society. We at Radico NV Distilleries Maharashtra Limited (“RNVDML”) have adopted the CSR as a strategic tool for sustainable growth. Even much before the issue of CSR got highlighted in the new Companies Act of 2013, RNVDML has been aware of its Corporate Social Responsibility and was fulfilling the aspiration of the Society through well-defined steps and procedures in the entire district of Aurangabad (Maharashtra) where the Company’s manufacturing unit is located. This has resulted into a harmonious relationship between RNVDML and the peripheral Communities.

COMPANY BACKGROUND:

Radico NV Distilleries Maharashtra Ltd was incorporated in 03/11/2000. Presently, the company is engaged in the manufacture and selling of Alcohol & Alcoholic products besides the sale of CO₂, Bio Compost, Bio Manure etc that finds a wide range of IMFL & CL.

DEFINITIONS:

- Corporate Social Responsibility (CSR) means and includes but is not limited to Projects or programs relating to activities specified in Schedule VII to the Companies Act, 2013 (‘Act’).
 - CSR Committee means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act.
 - CSR Policy relates to the activities to be undertaken by the Company as specified in Schedule VII to the Act and the expenditure thereon.
 - Net Profit means the net profit of the Company as per its financial statement prepared in accordance with applicable provisions of the Act (Section 198), but shall not include the following viz;
 - (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.
- Provided that net profit in respect of a financial year for which the relevant financial statements were prepared in accordance with the provisions of the Companies Act, 1956 shall not be required to be re-calculated in accordance with the provisions of the Act.

CSR VISION STATEMENT:

“Help Improve Lives by Partnering with Communities to deliver lasting Solutions.”

The Vision statement is built on the four value pillars:

- Improving Lives
- Sustainable Development
- Care and Concern
- Infrastructure development

- Environment Management and Pollution Control.

OBJECTIVES OF COMPANY'S CSR:

COMPANY'S CSR policy intends to:

- Strive for economic development that positively impacts the society at large with a minimal resource footprint.
- Embrace responsibility for the Company's actions and encourage a positive impact through its activities on hunger, poverty, malnutrition, environment, communities, stakeholders and the society.

CSR COMMITTEE:

Composition of the CSR committee: to consist of three or more directors of which, at least one will be an independent director. The CSR Committee shall consist of the following directors:

S. No	Name of the Member	Designation
1.	Mr. Manavalagan Prakash	Chairman
2.	Mr. Ashok Khandelwal	Member
3.	Mr. Varun Jain	Member

ROLE OF THE CSR COMMITTEE:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy in compliance with Section 135 of the Companies Act, 2013.
- Identify the activities to be undertaken as per Schedule VII of the Companies Act, 2013.
- Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.
- Recommend the amount of CSR expenditure to be incurred on the earmarked CSR activities.
- Monitor the implementation of the CSR Policy from time to time.
- Such other functions as the Board may deem fit.

ROLE OF THE BOARD:

- After taking into account the recommendations made by the CSR Committee, approve the CSR Policy for the Company.
- Ensure that the CSR activities included in this Corporate Social Responsibility Policy are undertaken by the Company.
- The Board of the Company may decide to undertake its CSR activities approved by the CSR Committee, through a registered trust or a registered society or a Company established under section 8 of the Act by the company, either singly or along with its holding or subsidiary or associate company, or along with any other company or holding or subsidiary or associate company of such other company, or otherwise provided that – If such trust, society or company is not established by the company, either singly or along with its holding or subsidiary or associate company, or along with any other company or holding or subsidiary or associate company of such other company, it shall have an established track record of three years in undertaking similar programs or projects/activities;

CSR BUDGET:

- The Board of Directors of the Company shall ensure that in each financial year the Company spends at least 2% of the average net profit made during the three immediately preceding financial years.

- In case of any surplus arising out of CSR projects the same shall not form part of business profits of the Company.
- The Company may collaborate or pool resources with other companies to undertake CSR activities.
- As per section-135 of the Companies Act, 2013 (“the Act”), the Company will report in its annual report to the shareholders of the company, reasons, if any, for under spending the allocated CSR Budget in any of the financial year.

VALIDITY AND MAINTENANCE OF CSR POLICY:

- This CSR Policy of the Company has been approved by the Board of Directors and shall remain in force until modified by the Board.
- The CSR policy will be maintained by the CSR Committee of the Board of Directors and reviewed by the Board of Directors at periodic intervals.

AREAS OF OPERATION & SCOPE:

The area shall include the entire country in general and towns and districts in specific where the distilleries/manufacturing units/bottling units of the Company are situated. The scope of work shall be within the framework of the activities as specified under schedule VII of the Companies Act, 2013 and may carry the following activities in general:

1. Eradicating hunger;
2. poverty and malnutrition;
3. promoting health care including preventive health care” and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation;
4. making availability of safe drinking water;
5. promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled;
6. livelihood enhancement projects;
7. promoting gender equality;
8. empowering women;
9. setting up homes and hostels for women and orphans;
10. setting up old age homes, day care centres and such other facilities for senior citizens;
11. measures for reducing inequalities faced by socially and economically backward groups;
12. 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
13. protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art;
14. setting up public libraries;
15. promotion and development of traditional art and handicrafts;
16. measures for the benefit of armed forces veterans, war widows and their dependents;
17. training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports;
18. contribution to the prime minister's national relief fund or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;
19. contributions or funds provided to technology incubators located within academic institutions which are approved by the central government;

20. rural development projects;
21. slum area development (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); and
22. Disaster management, including relief, rehabilitation and reconstruction activities.
23. Grant/donation/financial assistance/sponsorship to reputed NGOs of the Society/locality doing/involve in upliftment of the standard of the society.

The above list is illustrative and not exhaustive. The CSR committee shall be authorized to consider CSR activities not falling in this list. The activities will be specific to the people depending on the need assessed. All activities under the CSR should be environment friendly and socially acceptable to the local people and Society. A team of dedicated people shall be deployed to ensure proper utilization of funds for the specific purpose, as well as, to ensure publicity/coverage for corporate image building

GUIDELINES:

- For payment of financial assistance/donation/ sponsorship Registered Clubs/Institution will furnish details as required by RNVDMML i.e. their Registration, PAN No. etc. to establish their authenticity.
- The investment in CSR should be project based and for every project time frame, periodic milestones should be finalized at the outset.
- Project proposal for any CSR activity shall be examined by the Standing Committee consisting of executives of different disciplines/HODs with strength of (THREE) members and recommendations to the CSR committee.
- CSR committee shall decide the priority of the activities to be undertaken under CSR and shall do periodic review of the progress of activities Undertaken/completed.
- Monetary limits shall be deployed for Head of Department not exceeding 10 Lacs except for Maharashtra. Head of Department include Unit Head, HR Head and Finance Head.
- Proposals beyond Rs. 10 lacs and upto 15 Lacs made by the Head of the Departments shall be approved by members Committee for CSR and other members of Board.
- Major decisions over and above 50 Lacs in one project shall be directly approved by CSR committee and Board of Directors.
- The Finance head shall get prepared the Annual Report on CSR Activities.
- Annual Report on CSR should be compiled and presented before the CSR Committee for their evaluation highlighting the cumulative outlays and outcomes of the program in specific details.
- The Annual Report of the Company shall carry relevant details on the implementation of CSR activities.

An audit of the programmes and process may be carried out by external agencies or any third party Agency.

SOURCE OF FUND

The funds for the CSR should be allocated in every financial year and shall never be lower than two percent of the average net profits of the company made during the three immediately preceding financial year or such other limit as specified under the Companies Act, 2013 or any amendment thereof. Surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company.

UNSPENT AMOUNT

The surplus arising out of the CSR activities will not be considered as a part of the business profits of the Company and shall be ploughed back into the same project, or shall be transferred to the Unspent CSR Account and it should be spent in pursuance of this CSR policy and annual action plan of the Company, or the Company may transfer such surplus amount to a Fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year. Any unspent amount, other than unspent amount relating to an ongoing project, will be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year. Further, unspent CSR funds of ongoing projects will be transferred within a period of 30 days from the end of the financial year to a special account opened by the company in any scheduled bank called the “Unspent Corporate Social Responsibility Account”. Such amount shall be spent by the company towards CSR within a period of 3 financial years from the date of such transfer, failing which, the company shall transfer the same to a Fund specified in Schedule VII, within a period of 30 days from the date of completion of the third financial year.

FREQUENCY OF MEETINGS

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

QUORUM

Minimum two (2) members shall constitute a quorum for the Committee meeting.

CHAIRMAN

In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

MINUTES OF THE COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee and tabled at the subsequent Board and Committee meeting.

MISCELLEANOUS

This policy shall be updated from time to time, by the Company in accordance with the amendments, if any, to the Companies Act, 2013, rules made thereunder or any other applicable enactment for the time being in force.