



CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

PREAMBLE:

The concept of Corporate Social Responsibility (CSR) carries high level of importance for Radico Khaitan Limited. We understand that Govt. alone will not be able to get success in its endeavor to uplift the downtrodden of Society. We at Radico Khaitan Limited ("RADICO") 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, RADICO 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 Rampur where the Company's major manufacturing unit is located. This has resulted into a harmonious relationship between RADICO and the peripheral Communities.

Introduction & Objective:

The Manufacturing/Bottling units of RADICO are located in different parts of the country spread in almost all the States. Every industrial unit has significant impact on the people living in and around the areas of its operations. Hence, the primary beneficiaries of CSR should be those staying within the town or district of the industrial unit. Radico believes that poor and needy section of the society living in the town or district where it has operations should be the primary beneficiaries.

The main objective of CSR policy is to supplement the role of the Govt. in enhancing welfare measures of the society. The CSR policy has been framed for the welfare of the community at large to ensure that the poorer section of the Society derive the maximum benefits. The mission is to achieve social and cultural development, imparting education, training and social awareness with regard to the economically backward class for their timely help and future development.

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:-

- a. Water Supply including drinking water.
- b. Funding of Primary & Secondary Schools in the area.
- c. Health care by providing medical facilities and medicines.
- d. Infrastructure for Village Electricity/Solar Lights.
- e. Organizing of Sports and culture programmes.
- f. Educating people with the concept of Responsible Drinker.
- g. Grant/donation/financial assistance/sponsorship to reputed NGOs of the Society/locality doing/involve in upliftment of the standard of the society.
- h. Relief of victims and Natural Calamities like Earth Quake, Draught and Flood situation in any part of the country.
- i. Collection of old cloths from the employees and distribution in the nearby villages
- j. Adoption of village/s for carrying out the activities like infrastructural development e.g. Road, water supply, electricity and community center etc.

- k. Awareness programmes on girl education.
- l. Providing scholarships to bright students of the district.
- m. Plantation of saplings producing fruit.
- n. Achieving zero discharge and taking steps for Environment Management and Pollution Control.

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.

GUDILINES:

1. For payment of financial assistance/donation/ sponsorship Registered Clubs/Institution will furnish details as required by RADICO i.e. their Registration, PAN No. etc. to establish their authenticity.
2. The investment in CSR should be project based and for every project time frame, periodic milestones should be finalized at the outset.
3. Project proposal for any CSR activity shall be examined by the Standing Committee consisting of executives of different disciplines/HODs with strength of 3 (THREE) members and submit report/recommendations to the CSR committee.
4. 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.
5. Monetary limits shall be deployed for each State Head/ Plant Head not exceeding 10 Lacs except for Rampur.
6. Proposals beyond Rs. 10 lacs and upto 25 Lacs shall be approved by Standing Committee for CSR headed by 3 (THREE) HOD's.
7. Major decisions over and above 25 Lacs in one project shall be directly approved by CSR committee.
8. The Finance head shall get prepared the Annual Report on CSR Activities.
9. Quarterly 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.
10. The Annual Report of the Company shall carry relevant details on the implementation of CSR activities/project including the facts relating to physical and financial progress.
11. An audit of the programmes and process can be carried out by External Agencies/Third party Agency.
12. Utilization Certificate with statement of expenditure duly certified by an Authorized Auditor will be submitted by the Organization/ Institution to whom CSR fund is allocated.

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. Out of above, 70% of the budget allocated for CSR activities is to be carried out within the town/District of Rampur and balance 30% would be allocated for carrying out CSR activities by other bottling units/offices situated in different States.

The CSR Project should be fixed for each financial year. The funding will not lapse. It will be transferred to CSR Fund which will accumulate-as in the case of Non lapsable pool.

CONCLUSION

The above guidelines would form the framework around which the CSR activities would be undertaken by Radico. It should cover the CSR policy at national level. CSR activities in any State should be preferably done through the branch office in the State. For States without any branch office, CSR activities, if any, shall be done by Regional/corporate office. Since CSR Policy of RADICO includes all the Community Development activities in a broader perspective, the CSR Policy of RADICO will supersede earlier policies relating to CSR. RADICO will review the Policy from time to time based on changing needs and aspirations of the target beneficiaries and make suitable modifications, as may be necessary.
