



CORPORATE SOCIAL RESPONSIBILITY POLICY

OF

RADICO KHAITAN LIMITED

Registered Office: Rampur Distillery, Bareilly Road, Rampur, Uttar Pradesh - 244901

Corporate Office: B1/J1, Mathura Road, Mohan Cooperative Industrial Estate, New Delhi-110044

CIN: L26941UP1983PLC027278

PREAMBLE

The concept of Corporate Social Responsibility (CSR) carries high level of importance for **Radico Khaitan Limited ('Radico')**. We understand that Government alone will not be able to get success in its endeavour to uplift the downtrodden society. Even much before the issue of CSR got highlighted under section 135 of the Companies Act of 2013, Radico has been aware of its Corporate Social Responsibility and was fulfilling the aspiration of the society by well-defined steps and procedures, through Smt. **Kiran Devi Khaitan Memorial Charitable Trust ('KDKCT')**.

INTRODUCTION & OBJECTIVE

The manufacturing and bottling units of Radico are located in different parts of the country and every such unit has significant impact on the people living in and around the areas of its operations. For CSR Compliance Radico always gives preference to the areas and communities in and around the districts and towns where Radico maintains and runs its units. The objective is to maintain harmonious relationship between Radico and the peripheral Communities. 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 Government in enhancing welfare measures for 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.

DEFINITIONS AND INTERPRETATIONS

“Act” means the Companies Act, 2013.

“Board” means the Board of Directors of the Company.

“CSR Activities” means such programs and projects as may be recommended by the Sustainability and CSR Committee and approved by the Board in terms of the CSR Policy, from time to time.

“Sustainability and CSR Committee” or “CSR Committee” means the Sustainability and Corporate Social Responsibility Committee of the Company.

“CSR Expenditure” means the amount recommended by the Sustainability and CSR Committee and approved by the Board from time to time, to be incurred on the CSR Activities in India in a financial year in terms of Section 135 of the Companies Act, 2013 (the "Act") and the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the "CSR Rules"). CSR expenditure will include all expenditure incurred by the Company on CSR Programmes undertaken in accordance with the approved Annual Action Plan.

“Annual Action Plan” will include the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII to the Act, the manner of execution of such projects or programmes, modalities of utilisation of the CSR funds and implementation schedules for the projects or programmes, monitoring and reporting mechanism for the projects

or programmes and details of need and impact assessment for the projects undertaken by the Company.

The Sustainability and CSR Committee would recommend the Annual Action Plan to the Board. In case there is any alteration in the Annual Action Plan at any time during the year, the Sustainability and CSR Committee would update such alteration to the Board.

“Ongoing Projects” means projects that have a multi-year implementation focus but not having timelines exceeding three years excluding the financial year in which it commences. The Board may also designate some of the existing CSR project as Ongoing Projects and such Ongoing Projects shall be selected, implemented, monitored and reported in accordance with the applicable CSR Provisions.

Explanation: Based on the tenure of the identified projects, they will be qualified as:

- i. Short Term - upto 1 year
- ii. Long term / Ongoing Project - 1 year to 3 years

Any term used but not defined in this CSR Policy shall have the meaning assigned to it under the Act or the CSR Rules.

AREAS OF CSR ACTIVITIES/ PROJECTS

The Company may, subject to the approval of the Sustainability and CSR Committee and the Board, undertake any CSR project specified under Schedule VII of the Act, as amended from time to time. The Company will also ensure compliance with all other provisions of the applicable laws with respect to selection of area of CSR activities or projects.

GUIDELINES

1. For payment of financial assistance/donation/ sponsorship, the Registered Clubs/ Institution will be asked to furnish the details as required by Radico i.e. their Registration as per the Act and other applicable laws, Copy of Permanent Account Number, Registrations with Income Tax Departments, Ministry of Corporate Affairs, etc., to establish their authenticity.
2. The Sustainability and CSR Committee shall formulate and recommend to the Board, an Annual Action Plan in pursuance of the CSR policy of the Company. Annual Action Plan shall include the list of CSR projects or programmes to be undertaken in areas or subjects specified under Schedule VII of the Act and such other details as specified under the Act and Rules framed thereunder.
3. Sustainability and CSR Committee may consider and approve the recommendations of monitoring committee for CSR projects and activities.
4. The Board may approve to undertake the CSR activities of Radico by anyone or more of the following means after registration requirements under Act and applicable laws are met:
 - a. Directly by Radico or in collaboration with other Companies; or

- b. through Smt. Kiran Devi Khaitan Memorial Charitable Trust, a trust duly registered under the Indian Trust Act, 1882; or
 - c. through a company registered under Section 8 of the Companies Act, 2013, established by Radico, either singly or alongwith any other company or otherwise; or
 - d. through a registered trust or a registered society, whether established by Radico, either singly or alongwith any other company, or otherwise; or
 - e. through a company established under section 8 of the Act, established by the Central Government or State Government or any entity established under an Act of Parliament or a State legislature; or
 - f. through a registered trust or a registered society, established by the Central Government or State Government or any entity established under an Act of Parliament or a State legislature.
5. Sustainability and CSR Committee through monitoring committee shall review of the progress of projects and activities under CSR.
 6. Sustainability and CSR Committee shall prescribe the monetary limits for each State Head and Plant Head, which shall not be exceeding Rupees 10 Lacs. However, for head of Rampur Plant the Sustainability and CSR Committee may prescribe limit over and above of Rupees 10 Lacs.
 7. Proposals beyond Rs. 10 lacs but upto 25 Lacs shall be approved by Monitoring Committee
 8. Proposals beyond Rs. 25 Lacs shall be directly approved by Sustainability and CSR Committee.
 9. Annual Report on CSR should be compiled and presented before the Sustainability and 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 including the facts relating to physical and financial progress.
 11. An audit of the programmes and process may be carried out by external agencies or any third party Agency if required.

SUSTAINABILITY AND CSR COMMITTEE MEMBERS

The Sustainability and CSR Committee comprise of following members w.e.f July 2, 2024:

1. Dr. Lalit Khaitan- Chairperson
2. Mr. Abhishek Khaitan- Member
3. Mr. Amar Singh- Member
4. Ms. Sushimta Singha - Member

Mr. Dinesh Kumar Gupta, Vice President- Legal and Company Secretary, will act as coordinator and compliance officer for the Sustainability and CSR Committee.

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 by virtue of any amendment of the Act. The Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities.

Surplus arising out of the CSR activities under approved projects and programmes shall not form part of the business profit of a company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and Annual Action Plan of the Company and 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 excess amount spent on CSR activities may be set off against CSR expenditure to be incurred in the succeeding three financial years in accordance with the applicable CSR Provisions.

CSR amount remained unspent during a financial year, pursuant to any ongoing project, shall be transferred by the Company within a period of thirty days from the end of the financial year to the “Unspent Corporate Social Responsibility Account”, and such amount shall be spent by the Company in pursuance of its obligation towards the CSR Policy within a period of three financial years from the date of such transfer, failing which, the Company shall transfer the same to the Fund specified in Schedule VII, within a period of thirty days from the date of completion of the third financial year.

The Board of a company shall satisfy that the funds disbursed for CSR have been utilized for the purposes and in the manner as approved by it and the Chief Financial Officer shall certify to the effect.

Unspent amount, if any, on the CSR Activities shall be dealt with in accordance with the provisions of Section 135 of the Act and CSR Rules framed thereunder.

MONITORING AND REPORTING

The Sustainability and CSR Committee shall monitor all CSR Projects and Activities, including utilization of funds to ensure their effective implementation in accordance with the CSR Rules read with Section 135 of the Act.

For the purpose, a Monitoring Committee shall be constituted by the Board/Sustainability and Sustainability and CSR Committee. Mr. Dinesh Kumar Gupta, Vice President- Legal and Company Secretary, will act as coordinator and Compliance Officer for the monitoring committee.

Monitoring Committee shall report the progress of CSR programmes under implementation to the Sustainability and CSR Committee.

Broadly, the following will be considered for implementing and monitoring the CSR projects and activities in the Company:

- The CSR Annual Action Plan
- The list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified under Schedule VII of the Act
- The manner of execution of such projects or programmes
- The modalities of utilisation of funds and implementation schedules for the projects or programmes
- The monitoring and reporting mechanism for the projects or programmes
- Details of need and impact assessment, if applicable, for the projects undertaken by the Company.

The minutes of the meetings of the Sustainability and CSR Committee shall be placed before the Board.

The Company may, either on application of the provisions of the Act or on voluntary basis, conduct impact assessment on a periodic basis, either on its own or through an independent professional or professional institutions, especially on the flagship programmes.

The Sustainability and CSR Committee may be directed by the Board to present the cost incurred on CSR Activities annually and also the impact assessment thereof, as appropriate.

REPORTING

The Directors' Report of the Company shall include an annual report on CSR containing such particulars as specified under Section 135 of the Act and Rules framed thereunder, as amended from time to time.

The Directors' Report shall annex the impact assessment reports, if applicable, to the annual report on CSR.

CONCLUSION

Radico is determined to perform its 'DHARMA' for CSR activities within the framework of law and shall act as an important tool to promote the CSR objectives and initiatives of the government.

This revised Corporate Social Responsibility Policy shall be effective from February 3, 2022.