



ALCOBREW DISTILLERIES INDIA LIMITED
CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

CIN: [U15520DL2002PLC117974]

Registered Office: [C-423, Sarita Vihar, South Delhi, New Delhi-110076, India]

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1. Preamble

Corporate Social Responsibility is a sense of responsibility of the company towards the community and environment both ecological and social. It is a commitment of the company towards enriching lives of local community and the society at large in which it operates.

This Corporate Social Responsibility Policy comprises of the Company's Philosophy of operating its business in a socially responsible way and improving and developing the wealth of the business with the intention to improve the society in which it operates as well as the local community.

2. Objective

In compliance with the prescribed legal framework of Section 135 read with Schedule VII and the CSR Rules, 2014, the Corporate Social Responsibility Committee of Alcobrew Distilleries India Limited is being re-constituted and the Corporate Social Responsibility Policy is being reviewed with the objective of:

- a) To operate the business in an economically, socially, and environmentally sustainable manner with an intention to enhance the quality of life of the communities of the local area and areas in and around where our Company operates and society at large.
- b) The Company to promote development in rural areas, promote education, eradicate hunger and poverty, promote gender equality and empowering women, promote health care and sanitization, ensuring environmental sustainability, employment enhancing vocational skills, and protecting natural heritage and culture and such other matters of common good as permitted under the Companies Act.
- c) Contribution to the prime minister's national relief fund or any other fund set up by the central government for social economic development, relief and rehabilitation of persons effected by natural calamities, funds for the welfare of scheduled caste and tribes and other backward classes, minority and women
- d) Any other activity as permitted under the Companies Act, 2013

3. Focus Areas

While the Company may undertake CSR activities which the Corporate Social Responsibility Committee of the Board ("CSR Committee") may decide from time to time, in any areas or subjects in accordance with the requirements under the Companies Act, 2013 (the "Act") and the rules / regulations framed thereunder and circulars / clarifications issued thereunder (collectively, "the Applicable Law"), Company's CSR activities, within the ambit of Schedule VII of the Companies Act, 2013; amongst others, will focus on:

- Education and skills development to enable sustained livelihoods
- Health care including preventive health
- Environmental sustainability and ecological balance
- Gender equality and empowerment of women
- Promotion of national heritage, art and culture
- Rural Development
- Disaster relief and rehabilitation

4. Definitions

- a) "Act" means the Companies Act, 2013 and the rules made thereunder and as amended from time to time;
- b) "Corporate Social Responsibility (CSR)" means the activities undertaken by a Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in these rules, but shall not include the following, namely:
 - i. activities undertaken in pursuance of normal course of business of the company;
 - ii. any activity undertaken by the company outside India except for training of Indian sports personnel representing any State or Union territory at national level or India at international level;
 - iii. contribution of any amount directly or indirectly to any political party under section 182 of the Act;

- iv. activities benefitting employees of the company as defined in clause (k) of section 2 of the Code on Wages, 2019 (29 of 2019);
 - v. activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
 - vi. activities carried out for fulfilment of any other statutory obligations under any law in force in India;
- c) **“CSR Committee”** means the Corporate Social Responsibility Committee of the Board referred to in section 135 of the Act.
- d) **“CSR Policy”** means a statement containing the approach and direction given by the board of a company, considering the recommendations of its CSR Committee, and includes guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan;

5. Applicability of the policy

- a) This CSR Policy shall be implemented in accordance with the provisions of Section 135 of the Act and the rules thereunder. It shall apply to all projects/activities undertaken by the Company in India as per Schedule VII of the Act.
- b) The CSR activities shall not include activities undertaken by the Company in pursuance of the normal course of its business.
- c) Projects, programs or activities that solely benefit the employees of the Company and their families shall not be considered as CSR activities under this Policy.

6. The responsibility of the Company and Board

- a) Approving the CSR Policy, annual action plan, CSR activities and projects and the CSR expenditure after taking into consideration, the recommendations made by the CSR Committee or any modification there under and disclose contents of such Policy in its report and also place it on the company's website.
- b) The Board may alter annual action plan at any time during the financial year, as per the recommendation of CSR Committee, based on reasonable justification to that effect.
- c) Ensure the CSR spending for every financial year of at least 2% of average net profits made during immediately preceding 3 financial years, in pursuance with this CSR Policy. If the Company fails to spend the aforesaid amount then the Board's Report prepared under section 134 of the Companies Act, shall specify the reasons for not spending the amount and transfer the same as specified under this Policy.
- d) Ensure that CSR Activities included in the CSR Policy are undertaken by the Company and such activities are related to the activities specified in Companies Act.
- e) Ensure that the CSR Activities are undertaken either by the Company itself or through agency, as permitted.
- f) In case of ongoing projects, monitoring the implementation of the project in line with the approved timelines and year – wise allocations and shall be further authorized to make modifications thereto if required subject to the same being within the overall permissible time period.
- g) Ensure the administrative overheads shall not exceed the limits specified under the Companies Act.
- h) Ensure, any surplus arising out of the CSR Activities shall not form part of the business profit of the Company and shall be ploughed back into the same project or be transferred to the Unspent CSR Account of the Company and spent in pursuance of this CSR Policy and Annual Action Plan of the Company or transfer such surplus amount to the Fund specified in Schedule VII of the Companies Act within the stipulated period of time.
- i) Ensure that surplus or unspent amount earmarked for CSR in any financial year is given effect as required under the Companies Act.

- j) Approve the set off of the excess amount of CSR spent in a financial year, against CSR spent of up to immediate next 3 financial years;
- k) Ensure that Directors' Report includes:
 - Contents of the CSR Policy and Composition of the CSR committee;
 - An annual report on the CSR in the prescribed format;
 - Reasons for failure (if any) to spend required amount on CSR Activities

7. CSR Committee

The Board of Directors of the Company shall constitute the Corporate Social Responsibility Committee (CSR) in pursuance to the provisions of Section 135 of the Companies Act 2013 and the Rules made there under.

8. Role of the CSR Committee

The CSR Committee shall, carry out the following functions:

- a) To formulate and recommend to the board, a corporate social responsibility policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act;
- b) To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- c) To review and recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
- d) To formulate and recommend to the Board, an annual action plan in pursuance to the Corporate Social Responsibility Policy, which shall include the following, namely:
 - i. the list of Corporate Social Responsibility projects or programmes that are approved to be undertaken in areas or subjects specified in the Schedule VII of the Companies Act, 2013;
 - ii. the manner of execution of such projects or programmes as specified in Rule 4 of the Companies (Corporate Social Responsibility Policy) Rules, 2014;
 - iii. the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - iv. monitoring and reporting mechanism for the projects or programmes; and
 - v. details of need and impact assessment, if any, for the projects undertaken by the company.

Provided that the Board may alter such plan at any time during the financial year, as per the recommendations of the Corporate Social Responsibility Committee, based on the reasonable justification to that effect.

- e) To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- f) To review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and
- g) To provide assistance to the Board to ensure that our Company spends towards the corporate social responsibility activities in every Fiscal, such percentage of average net profit/ amount as may be prescribed in the Companies Act;
- h) To provide explanation to the Board if the Company fails to spend the prescribed amount within the financial year.;
- i) To perform such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company and

exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 or other applicable law.”

9. CSR Activities and Strategies

The Board of the Company shall ensure that the CSR activities are undertaken by the Company itself or through:

- i. a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company, or;
- ii. a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government or;
- iii. any entity established under an Act of Parliament or a State Legislature or;
- iv. a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

10. CSR Activities and exclusions

The CSR projects shall include all the activities undertaken by the Company in pursuance of its statutory obligation laid down in section 135 of the Act and the Rules. For avoidance of doubt, it is clarified that the following shall not be regarded as CSR activities of the Company, unless otherwise specified (i) by the Ministry of Corporate Affairs ('MCA') under any notification, circular, FAQs or otherwise; or (ii) under the Rules:

- a) Activities undertaken in normal course of business of the Company;
- b) contribution of any amount directly or indirectly to any political party under section 182 of the Act;
- c) Activities benefiting employees of the Company as defined in section 2(k) of Code of Wages, 2019;
- d) Activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- e) Activities carried out for fulfilment of any other statutory obligations under any law in force in India;
- f) One-off events such as marathons, awards, charitable contribution,

11. Unspent CSR Funds

- a) The Board shall ensure that any amount remaining unspent pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by a company in pursuance of this Corporate Social Responsibility Policy, shall be transferred by the company within a period of thirty days from the end of the financial year to a special account to be opened by the company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount is spent by the company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three 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 thirty days from the date of completion of the third financial year.
- b) To specify the reasons for not spending the requisite CSR amount as required under Section 135 of the Companies Act 2013 in the Board's Report and unless the unspent amount relates to any ongoing project, transfer such unspent amount to a Fund as specified in Schedule VII, within a period of six months of the expiry of the Financial Year.

12. CSR Expenditure

- a) The board shall ensure that the administrative overheads shall not exceed five percent of total CSR expenditure of the company for the financial year.

- b) Any surplus which is arising out of the CSR activities of the Company shall not form part of the business profit of a company and shall be ploughed back into the same project or it shall be transferred to the Unspent CSR Account and spent in pursuance of this CSR policy of the Company and annual action plan of the company or such surplus amount shall be to a Fund which is specified in Schedule VII, within a period of six months of the expiry of the financial year.
- c) In case the company spends an amount in excess of requirement provided under sub-section (5) of section 135 of the Companies Act 2013, such excess amount may be set off by the Company against the requirement to spend under sub-section (5) of section 135 up to immediate succeeding three financial years subject to the conditions that –
 - i. the excess amount available for set off shall not include the surplus arising out of the CSR activities of the Company, if any,
 - ii. the Board of Directors passes a resolution to that effect.
- d) The CSR amount may be spent by a company for creation or acquisition of a capital asset, which shall be held by –
 - i. a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number or,
 - ii. beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or,
 - iii. a public authority.
- e) The Company shall spend at least 2% (two percent) of average Net Profits of the Company made during the three immediately preceding financial years.

13. CSR Budget and Utilization

CSR Committee will recommend the annual budgeted expenditure for each project to its consideration and approval and shall be utilized on approved projects in accordance with CSR policy.

14. Impact Assessment

The Company shall undertake an impact assessment of the relevant CSR projects:

- a) in accordance with the provisions of the Rules, if the Company meets the threshold as prescribed under the Rules; or
- b) as per the decisions of the Board or CSR Committee or any person/body authorised by the Board.

The impact assessment reports shall be placed before the Board and shall be annexed to the annual report on CSR.

15. CSR Reporting and Monitoring

In order to ensure effective implementation of the CSR activities, the CSR Committee will conduct in-depth review of the CSR activities of the Company on a periodic basis.

The CSR Committee will have the powers to:

- a) seek monitoring and implementation report from the implementing agencies receiving funds;
- b) delegate a designated official(s) with the help of the CSR Head to co-ordinate with the organization receiving funds to inspect the activities undertaken and ensure information in a timely manner.

The CSR Committee shall submit periodical reports to the Board.

The Board shall satisfy itself that the funds disbursed towards fulfilment of CSR obligations of the Company have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.

In case of ongoing project, the Board shall monitor the implementation of the CSR project with reference to the approved timelines and year-wise allocation and shall be competent to make modifications, if any, for smooth implementation of the CSR project within the overall permissible time period.

16. Disclosures about CSR Policy and CSR Activities

The Corporate Social Responsibility Policy including CSR Committee and Projects approved by the Board of Directors of the Company shall be disclosed on the Company's website for the public to have access to it. The annual report of the Company shall include a section of CSR outlining objectives of the CSR Policy, members of the CSR Committee, CSR initiatives undertaken by Company, the CSR spend during the financial year and other information in the format as prescribed under the Rules.

17. Amendments to CSR Policy

The 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 there under as may be issued by relevant statutory authorities from time to time.

The Board, either on its own or as per the recommendations of the CSR Committee, may amend this Policy, from time to time. The decision of the Board on all matters, relating to this Policy, shall be final and binding upon all concerned

18. Meeting of CSR Committee

The meeting of the CSR Committee shall be held at such time and place as and when required.

19. Notice of Meeting

Notice of the CSR Committee meeting will be given to the members before 7 days of the meeting containing date, time, and place of the meeting along with list of business proposed to pass at the meeting.

Shorter notice may be given for meeting with the consent of all members.

20. Quorum for CSR Committee

Quorum for the meeting of CSR Committee shall be two members present during the meeting.

Effective Date: 02.07.2015

Amended Date: 16.09.2025