

CORPORATE SOCIAL RESPONSIBILITY POLICY

OF

ALLIED BLENDERS AND DISTILLERS LIMITED

(CIN: L15511MH2008PLC187368)

PREAMBLE

The Allied Blenders and Distillers Limited (“ABD”) seeks to be a good corporate citizen in all aspects of its operations and activities. It is ABD’s intent to make a positive difference to society. It recognizes that it cannot do it all; so that if there are choices to be made, prioritization will be towards doing fewer projects with greater impact and focusing initiatives on communities in which the ABD lives and operates.

VISION AND COMMITMENT

Our vision is to drive ‘holistic empowerment’ of the community through implementation of sustainable initiative which will have maximum societal impact by identifying the critical needs and gaps. We shall remain committed to the following operating principles –

- Conducting business in a socially responsible and ethical manner;
- Protecting the environment and the safety of people;
- Supporting human rights; and
- Engaging, learning from, respecting and supporting the local communities and cultures with which we work.

PHILOSOPY AND APPROACH

ABD proposes to create a social impact through ‘hands on’ execution of the social initiatives, directly and/ or through implementing partners which include a Company established under section 8 of the Act, or a registered public trust or a registered society having an established track record of at least 3 years in undertaking similar activities for which the grant is being given. These organizations would need to be registered and holds valid registration certificate under section 12A and 80G of the Income Tax Act, 1961 (43 of 1961). The above entities shall register with the Central Government by filing the form CSR-1 electronically with the Registrar, with effect from 1st April 2021 for the purpose of accessing expertise/ enhancing resources and for support in project implementation.

REGULATORY FRAMEWORK

Pursuant to the provisions of Section 135 of the Companies Act 2013 (“The Act”) read with the Companies (Corporate Social Responsibility) Rules, 2014 (herein after referred to as “Rules”) notified thereunder as amended from time to time and Schedule VII to the Act provides a framework for companies to define the key thrust areas in the CSR space. The law also guides companies to apply the scope as defined under Schedule VII liberally. Further, the Act also provides instructions on agencies eligible for implementation through which companies may spend their CSR Expenditure. The Act also mandates assessing the impact of the Company’s projects in certain cases. Company’s CSR Policy, the Key Thrust Areas and the implementing agencies shall therefore remain and operate within the boundary set by the law

CORPORATE SOCIAL RESPONSIBILITY (CSR) OBJECTIVES

ABD may carry out any one or more of the CSR activities, notified under the Section 135 of the Companies Act 2013 (“The Act”) and rules made there under and as amended from time to time, inter-

alia the following:

1. To fight against hunger, poverty and malnutrition
2. To promote health care including rehabilitation health
3. To promoter education and enhance vocational skills especially among children, women and differently abled persons
4. To facilitate rural development and slum area development.
5. To encourage sustainability, conservation and recycling practices

However, the CSR Committee shall have authority to decide to carry out any other CSR activities within the purview of permissible activities under the Act from time to time.

CSR COMMITTEE

ABD's CSR governance structure will be headed at the Board level CSR Committee that will be responsible for CSR activities/ project undertaken. The Committee will report to the Board of Directors of the Company.

The CSR Committee shall comprise of at least three directors, one of whom shall be independent director. The Board shall be empowered to modify the composition of CSR Committee, provided that there shall always be at least one independent director as part of CSR Committee or such other composition as may be prescribed from time to time. The Composition of the Corporate Social Responsibility Committee shall be disclosed in the Director's Report of the Company.

The Current Composition of the CSR Committee is available on the website of the Company.

RESPONSIBILITY OF CSR COMMITTEE

The CSR committee shall be mainly responsible to;

- Formulate and recommend to the Board the CSR policy, which shall indicate the activities to be undertaken by the Company in areas and subject inter-alia in compliance with Section 135 of the Act read with Schedule VII and Rules.
- Put and institute the transparent monitoring mechanism to review the implementation status of each activity/ project.
- Recommend to the Board, modifications to the CSR policy as and when required.
- Formulate a CSR Management Committee, if required to monitor the approved CSR activities, spending thereon from time to time with a robust and transparent governance structure to oversee the implementation of CSR Policy.
- Identify and recommend to the Board, from time to time, the activities/ projects including the Annual Action Plan in line with such CSR policy and seek its approval for expenditure thereon, from the Board of Directors of the Company which shall include the following:
 1. The list of the CSR projects or programmes that are approved to be undertaken in areas and subjects as specified in Schedule VII
 2. The manner of execution of such projects and programmes
 3. The modalities of utilization of funds and implementation schedules for the projects or programmes.

4. Monitoring and reporting mechanism for the projects or programmes.
5. Details of need and impact assessment, if any, for the projects undertaken by the Company.

Further, the Board may alter such annual action plan at any time during the financial year, as per the recommendation of its CSR committee, based on reasonable justification.

CSR BUDGET

- The total budget for the CSR activities/ projects will be recommended by the CSR Committee and shall be approved by the Board of Directors of the Company.
- The expenditure to be incurred on CSR activities/ projects during a financial year, shall not be less than 2% of the average net profit (calculated in accordance with provisions of section 198 of the Companies Act, 2013) during three immediately preceding financial years of the Company.
- CSR expenditure will include all amounts incurred/contributed by the Company towards its CSR Programs. CSR expenditure shall also include all direct and indirect expenditure incurred towards the CSR Programs as may be admissible under the regulatory framework.
- The Company may allocate funds towards the building of CSR capacities which will fall under Administrative Overheads as specified in the Rules within the Company as well as of the agencies selected to carry out such activities, provided that such spending shall not exceed 5% of the total amount available towards CSR spending in any financial year.
- The unspent CSR funds of other than ongoing projects shall be transferred to a fund as specified in Schedule VII within a period of six (06) months of the expiry of the financial year and shall specify the reason for not spending the amount for the financial year.
- The unspent CSR funds of ongoing projects will be transferred within a period of 30 days from the end of respective 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 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.
- The overall amount to be committed towards CSR will be approved by the Board of Directors as a part of its Annual Action Plan. Within the Budget the allocation towards specific CSR initiatives/projects will be approved by the CSR Committee of the Board. All projects undertaken by the Company shall be approved /ratified by the CSR Committee.
- Where the Company spends an amount in excess of the requirement as provided under sub-section (5) of Section 135, such excess requirement may be set-off against the requirement to spend upto immediately succeeding three (03) financial years subject to the Condition that the Board shall pass a resolution to that effect and the excess amount available for set off shall not include any surplus arising out of the projects or programmes.
- The surplus, if any, arising out of the CSR projects shall be ploughed back either to the same project from which such surplus arose or be spent in accordance with the Annual Action Plan.
- Subject to the provisions of the Act and the Rules made thereunder, the Company may also utilise its CSR spend towards creation or acquisition of a capital asset.

CSR REPORTING AND COMMUNICATION

- The composition of CSR Committee, CSR Policy and Projects approved by the Board shall be displayed on the Company's website for information of all the stakeholders.
- A report on details of CSR activities such as CSR projects and activities, programme locations, progress, budget and actual spends of the CSR projects etc. shall be included in the Company's Annual Report. This report shall follow the format, if any, prescribed under the provisions of the Companies Act, 2013

IMPACT ASSESSMENT

ABD shall undertake Impact assessment where, the Company has an average CSR obligation of INR 10,00,00,000 (Rupees Ten crore Only) in the three (03) immediately preceding financial years, through an independent agency, of their CSR projects or programmes having outlay of INR 1,00,00,000 (One crore rupees or more) and which have completed not less than one (01) year before undertaking the Impact Study, and the Impact assessment report(s) shall be placed before the CSR Committee and the Board and shall be disclosed as legally required.

The Company undertaking impact assessment may book the expenditure towards CSR for that financial year, which shall not exceed two percent of the total CSR expenditure for that financial year or fifty lakh rupees, whichever is higher.

IMPLEMENTATION OF CSR PROJECTS

The Company shall implement the identified CSR Projects by the following means:

I. Direct Method

1. The Company may itself implement the identified CSR Projects presently within the scope and ambit of the Thrust Areas as defined in the Policy.
2. The Company may also implement the identified Projects presently through its Foundation or Society which is involved in CSR activities, within the scope and ambit of the Thrust Areas as defined in the Policy.
3. The CSR Officer may engage external professionals/firms/agencies if required, for the purpose of implementation of its CSR Projects.
4. The Company may collaborate with other companies, including its Group Companies if required, for fulfilling its CSR objects through the Direct Method, provided that the CSR Committees of respective companies are in a position to monitor separately such CSR Projects.

II. Indirect Method

1. The Company may implement the identified CSR Projects through Agencies, subject to the condition that:
 - That every such agency who intends to undertake CSR activity, shall include a Company established under section 8 of the Act, or a registered public trust or a registered society having an established track record of at least 3 years in undertaking similar activities for which the grant is being given. These organizations would need to be registered and holds valid registration certificate under section 12A and 80G of the Income Tax Act, 1961 (43 of 1961). The above

entities shall register with the Central Government by filing the form CSR-1 electronically with the Registrar, with effect from 1st April 2021

- The activities pursued by the Agency are covered within the scope and ambit of Schedule VII to the Act provided
 - The Agency has an established track record of at least three years in undertaking similar programs or projects, and
 - The Company has specified the Project to be undertaken through the Agency which shall preferably be in Thrust Areas, the modalities of utilization of funds on such Projects and the monitoring and reporting mechanism which shall be at least once in three months.
2. The Company may collaborate with other Companies, including its holding and subsidiary Companies and Group Companies if required, for fulfilling its CSR objects through the Indirect Method provided that the CSR Committees of respective companies are in a position to monitor separately such Projects.

The Board of the Company shall ensure that the funds so disbursed either through Direct/Indirect mode have been utilized for the purpose and in the manner as approved by the Board and the Chief Financial Officer (CFO) or the person responsible for financial management shall certify to that effect.

LIMITATION, REVIEW AND AMENDMENT

In the event of any conflict between the provisions of this Policy and of the Applicable Law, the provisions of Applicable Law shall prevail over this Policy. Any subsequent amendment / modification to the Applicable Law shall automatically apply to this Policy.

The CSR Committee may review this Policy periodically and recommend amendments for the Board's approval from time to time, as may be deemed necessary.

SCHEDULE VII

CSR activities which may be undertaken by the Company and can be carried out in the areas or subject specified in Schedule VII of the Act.