CORPORATE SOCIAL RESPONSIBILITY POLICY

DAVAT BEVERAGES LIMITED

(CIN: U15549GJ2017PLC099052)

PREAMBLE:

Davat Beverages Limited [herein after referred as “Company”] seeks to be a good corporate Citizen in all aspects of its operations and business activities. We commit to operate in responsible manner with respect to Economy, Society and Environment while balancing the interest of diverse stakeholders. Company believe in the principle of Profitable Growth with Sustainable Development and Integrity.

1. SHORT TITLE, CONSTITUTION & APPLICABILITY:

1.1 This document shall be known as the "Corporate Social Responsibility Policy" ("Policy") of Davat Beverages Limited ("Company").

1.2 The Policy is framed in accordance with Section 135 of the Companies Act, 2013 ("Act") and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("Rules"), including any subsequent statutory amendments.

1.3 This Policy applies to all CSR initiatives, projects, programmes, and activities undertaken by the Company.

2. OBJECTIVES & CORE PHILOSOPHY

- The Company aims to operate its business in a socially, economically, and environmentally sustainable manner.
- The objective of this Policy is to outline the framework for planning, executing, monitoring, and reporting the Company's social development projects/Activates to maximize community impact.
- Maintain a positive water balance and ensure the availability and accessibility of safe drinking water for communities residing in the areas surrounding the Company’s manufacturing plants.
- Promote preventive healthcare, sanitation, and sustainable environmental growth within the local territories where the Company’s manufacturing plants are located.
- Work actively towards environmental sustainability with a dedicated focus on water conservation.

3. GOVERNANCE STRUCTURE

3.1 Board of Directors

The Board of Directors ("Board") shall hold ultimate responsibility for the CSR mandates, including:

- Approving this Policy and any subsequent revisions.
- Ensuring the mandated CSR budget is fully utilized in compliance with the law.
- Reviewing implementation timelines and ensuring the Chief Financial Officer (CFO) or the person handling financial management ensures the utilization of funds.
- Disclosing the composition of the CSR Committee, this Policy, and approved projects on the Company website and in the annual Board's Report.

3.2 CSR COMMITTEE:

3.2.1 Constitution & Composition:

The Board of Directors of the Company shall constitute a Corporate Social Responsibility (CSR) Committee. The Committee shall comprise three (3) or more Directors, out of which at least one (1) Director shall be an Independent Director.

The Following Directors are members of CSR Committee:

Name of the Member	Designation in Board of Directors	Designation in CSR Committee
Chetanbhai Vallabhbhai Khanpara	Director	Chairman
Chandulal Shivabhai Khanpara	Director	Member
Arvindbhai Parshotambhai Karetiya	Director	Member
Pravinchandra Ratilal Dholakia	Director	Member

3.2.2 ROLE OF CSR COMMITTEE:

The CSR Committee shall be responsible for:

a) Formulating the CSR Policy, including the CSR Activities and their budgets as well as recommendation of any subsequent change/ modification to the CSR Policy;

b) Institute an implementation and monitoring mechanism for CSR Activities;

c) Periodically updating the Board on the progress being made in the planned CSR Activities;

d) Providing a responsibility statement in the Board's report.

4. CSR BUDGET & EXPENDITURE CONTROLS

4.1 Mandatory Spend: The Company shall spend a minimum of 2% of its average net profits computed as per Section 198 of the Act during the three immediately preceding financial years.

4.2 Administrative Overheads: Expenses incurred for general management and administration of CSR functions shall be capped at 5% of the total CSR expenditure for the financial year.

4.3 Surplus from CSR Activities: Any surplus or revenue generated out of CSR projects shall not form part of the business profits of the Company. It shall be ploughed back into the same CSR project or transferred to an unspent CSR account/Schedule VII fund within the statutory timelines.

4.4 Excess Expenditure Set-off: If the Company spends an amount higher than the mandated 2%, the excess amount may be carried forward and set off against immediate CSR obligations for up to the succeeding three financial years, subject to a Board resolution.

5. AREAS OF CSR ACTIVITIES:

The Company will prioritize CSR project/Activities implementation in the local areas surrounding its operations. Eligible implementation activities are derived from Schedule VII of the Act, which include:

1. **Healthcare & Poverty**: Eradicating hunger, poverty, and malnutrition, promoting preventive healthcare, sanitation (including Swachh Bharat Kosh), and safe drinking water.
2. **Education:** Promoting education, vocational skills, and livelihood enhancement projects.
3. **Gender Equality & Senior Citizens**: Empowering women, setting up old age homes, orphanages, and reducing inequalities for backward groups.
4. **Environment:** Ensuring environmental sustainability, animal welfare, and conservation (including the Clean Ganga Fund).
5. **Heritage & Culture**: Protecting national heritage, historical sites, arts, handicrafts, and public libraries.
6. **Armed Forces**: Welfare measures for veterans, war widows, and dependents of CAPF and CPMF.

7. **Sports:** Training for rural, nationally recognized, Paralympic, and Olympic sports.
8. **Government Funds**: Contributions to PMNRF, PM CARES Fund, or central/state funds for socio-economic welfare.
9. **Technology & R&D**: Contributions to approved academic technology incubators and STEM research promoting SDGs.
10. **Rural Development**: Undertaking designated rural development projects.
11. **Slum Development**: Slum area development projects approved by competent authorities.
12. **Disaster Management**: Relief, rehabilitation, and reconstruction activities.
13. **Social Stock Exchange**: Subscribing to zero-coupon zero-principal instruments issued by registered social enterprises

6. IMPLEMENTATION MECHANISM

The Board ensures that all CSR activities are executed through either of the following routes:

6.1 Direct Method: Executed directly by the Company utilizing internal resources.

6.2 Indirect Method: Executed through a registered Section 8 company, registered public trust, or registered society holding a valid Form CSR-1 Registration Number issued by the Ministry of Corporate Affairs (MCA), along with active IT registrations under sections 12A and 80G.

7. MANAGEMENT OF UNSPENT FUNDS

If the allocated CSR budget remains unspent at the close of a financial year, the funds shall be treated based on project classification:

7.1 Ongoing Projects: The unspent amount shall be transferred to a dedicated bank account titled "Unspent CSR Account" within 30 days from the end of the financial year. These funds must be deployed within three financial years.

7.2 Non-Ongoing Projects: The unspent amount shall be transferred to a fund specified under Schedule VII of the Act within 6 months from the end of the financial year.

8. MONITORING, REPORTING & AMENDMENTS

8.1 **Annual Action Plan:** The CSR activities will follow a structured Annual Action Plan approved by the Board, specifying the list of projects, execution timelines, fund utilization schedules, and monitoring mechanisms.

8.2 **Reporting:** The Board will annex an Annual Report on CSR activities in the layout prescribed by the MCA Rules to its annual Board's Report.

8.3 **Amendments:** The Board holds the authority to amend, modify, or revise this Policy based on shifting regulatory frameworks or operational demands.

Approved by the Board of Directors
For **Davat Beverages Limited**

Sd/-
Chandubhai S. Khanpara
Managing Director
DIN: 07927603

* *This Policy was last reviewed and updated by the Board of Directors on 7th Oct, 2026*