

ASIAN HOTELS (NORTH) LIMITED

ASIAN HOTELS (NORTH) LIMITED

CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

PHILOSOPHY

Every business enterprise draws upon the societal resources, and therefore, it is imperative it contributes, and gives something back to the society by initiating and/or supporting programmes, projects and activities which benefit persons from the disadvantaged segments of the society.

GOVERNING LAW

Section 135(1) of the Companies Act, 2013 (the said Act), read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 (the said Rules), requires every company having:

- net worth of Rs. 500 crore or more, or
- turnover of Rs. 1000 crore or more, or
- net profit of Rs. 5 crore or more calculated in accordance with Section 198 of the Act during any financial year to constitute a CSR Committee of the Board of Directors.

Further, Section 135(5) of the said Act mandates that the Board of every company which falls within the purview of Section 135(1) thereof, shall ensure that every year the Company spends at least 2% of the average net profit made during the three immediately preceding financial years.

Schedule VII to the said Act provides a comprehensive list of activities and a company may adopt one or more of those activities for its CSR policy.

Rule 4 of the said Rules enables a Company to undertake its CSR activities in any of the following manner:

- a) on its own, as projects or programmes or activities, either new or ongoing, to the exclusion of activities undertaken in pursuance of its normal course of business;
and/or
- b) through a registered trust or a registered society or a company established under Section 8 of the Act by the Company, either singly or along with its holding or subsidiary or associate company, or along with any other company or holding or subsidiary or associate company of such other company, or otherwise.

However, if such trust/society/company has not been established by the Company, either singly or along with its holding or subsidiary or associate company, or along with any other company or holding or subsidiary or associate company of such other company, then such trust/society/company must have an established track-record of three years in undertaking similar projects. Further, the Company ought to specify the projects or programmes which need to be undertaken through these entities, and the modalities of utilization of funds and monitoring and reporting mechanism.

ASIAN HOTELS (NORTH) LIMITED

CSR COMMITTEE AND ITS RESPONSIBILITIES

The Board has entrusted the CSR Committee with the task of formulating a CSR Policy adopting the activities listed in Schedule VII to the Act.

The Board has also entrusted the Committee the task of ascertaining the amount which the Company ought to spend on CSR activities every year including that for the financial year 2014-15 in pursuance of Section 135(5) of the said Act; recommend how and through which institutions the aforesaid activities should be undertaken; and allocate the amount for each such activity.

Further, the Committee has also been asked to recommend a monitoring and reporting mechanism to ensure that the activities included in the CSR policy are undertaken and the funds allocated there-for are appropriately utilized.

DESIGNATED CSR ACTIVITIES

The Board of the Company has adopted all the activities listed in Schedule VII to the Act for its CSR Policy namely:

- (i) eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;*
- (ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;*
- (iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;*
- (iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water;*
- (v) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;*
- (vi) measures for the benefit of armed forces veterans, war widows and their dependents;*
- (vii) training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports;*
- (viii) contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;*
- (ix) contribution or funds provided to technology incubators located within academic institutions which are approved by the Central Government;*
- (x) rural development projects;*
- (xi) slum area development.*

ASIAN HOTELS (NORTH) LIMITED

Explanation – For the purposes of this item, the term 'slum area' shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

The Company proposes to implement the above initiatives directly on its own and/or through recognised trusts and societies having proven track record so as to ensure compliance with the provisions of law as detailed above.

EXECUTION PLAN / GOVERNANCE

Following execution, monitoring and reporting mechanism shall be followed by the CSR Committee to ensure effective implementation of the CSR policy:

- Once the financial statements for a previous year are approved and audited, the CSR Committee shall ascertain the amount required to be spent during that current financial year and prepare a CSR Plan delineating the CSR programmes to be carried out, identify the agencies which should carry out those activities and allocate budget for each such activity. The CSR Plan should then be placed before the Board for its approval.
- After obtaining Board's approval, the CSR Committee shall assign the task of implementation of respective programmes to the designated persons/agencies and set-out the time-lines for implementation.
- Such persons/agencies shall implement/execute the respective programmes within the designated budget and time-lines, and report the status to the CSR Committee periodically.
- On its part, the CSR Committee may meet periodically to take stock of the orderly implementation of the CSR programmes and issue necessary directions/guidelines in accordance with the CSR Policy, and keep the Board informed from time to time.
- Within 30 days of the end of a financial year, the CSR Committee shall finalise its report for that year describing the programmes undertaken and amount spent on each programme against budgeted allocation. All budget overruns should be explained to and approved by the said Committee and the Board.
- CSR Committee may meet as and when required to attend to business assigned to it. Quorum for such meetings shall be two members present in person. All decisions shall be approved by simple majority. The Committee may even pass resolutions by circulation. Minutes of proceedings of the said Committee meetings shall be recorded and signed by the Chairman of the meeting, and shall be circulated to the Board.

MISCELLANEOUS PROVISIONS

- CSR projects, activities or programmes that benefit only the employees of the Company and their families shall not be considered as CSR activities.
- CSR projects, activities or programmes undertaken in India only shall amount to eligible CSR activities under this policy.
- This CSR Policy may be revised from time to time by the Board on its own or based on the recommendations of the CSR Committee and shall always be compliant with the extant provisions of laws.