

Asian Hotels (East) Limited

Corporate Social Responsibility Policy

Introduction:

In terms of Section 135 of the Companies Act 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII thereof, all companies having a net worth of Rs.500 crores or more or turnover of Rs.1000 crores or more or a net profit of Rs.5 crores or more during the immediately preceding financial year will be required to constitute a Corporate Social Responsibility (CSR) Committee (the Committee) of the Board consisting of 3 or more directors, atleast one of whom will be an independent director.

Where the amount to be spent by a company under Section 135(5) does not exceed fifty lakh rupees, the requirement under Section 135(1) for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Directors of such company.

The Board shall ensure that the company spends, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years.

The Board at its meeting held on 19th May, 2021 had amended and approved this policy.

Corporate Social Responsibility Committee:

The Board has re-constituted the CSR Committee on 19th May, 2021 comprising of following Directors:

- Mr. Arun K Saraf (Chairman)
- Mr. Umesh Saraf (Member)
- Ms. Rita Bhimani (Member)

Role of the Committee:

The role of the Committee shall be governed by Section 135 and other applicable provisions of the Companies Act, 2013 and rules made thereunder.

The CSR Committee shall formulate and recommend to the Board, an Annual Action Plan which shall include the following:

- a) the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act, 2013;
- b) the manner of execution of such projects or programmes;



- c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
- d) monitoring and reporting mechanism for the projects or programmes and
- e) details of need and impact assessment, if any, for the projects undertaken by the company.

CSR Activities:

Pursuant to the amendment/notification of Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the Company shall plan to undertake CSR activities in areas or subjects specified in the amended Schedule VII of the Companies Act, 2013.

Further, the Board shall preferably discuss the CSR expenditure for every financial year at its quarterly meetings and ensure that the CSR activities of the Company would include and focus on:

- **HUNGER, POVERTY, MALNUTRITION AND HEALTH**
- **EDUCATION**
- **PROMOTING GENDER EQUALITY**
- **RURAL DEVELOPMENT PROJECTS**
- **BENEFIT OF ARMED FORCES**
- **ENVIRONMENTAL SUSTAINABILITY**

In order to count towards CSR Expenditure, CSR Activities must be undertaken in compliance with the applicable laws and shall not include the following:

- 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; and
- vi. activities carried out for fulfilment of any other statutory obligations under any law in force in India.



CSR Implementation:

In terms of Rule 4(1) and 4(2) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company may either itself or through implementing agencies can undertake CSR activities provided that the implementing agencies through which the Company intends to undertake CSR activities should have registered itself with Central Government by filing form CSR -1 and have been allotted a unique CSR Registration number.

Further, the Board of the Company will satisfy itself that the funds disbursed have been utilized for the purpose and manner as approved by them and the Chief Financial Officer of the Company will certify to the effect.

CSR Expenditure:

The Board shall ensure that a minimum of 2% of the average net profits of the Company of the last 3 (three) immediately preceding financial years is spent on the CSR programs / activities of the Company.

In terms of Rule 7(3) of Companies (Corporate Social Responsibility Policy) Rules, 2014, it is specified that if the Company spends an amount in excess of the requirements as provided in the provisions of the Companies Act, 2013, such amount may be set off by the Company against its future CSR obligations upto immediately succeeding 3 (three) financial years, subject to such conditions as mentioned in the rules.

In case at least 2% of the average net profits of the Company of the last 3 years is not spent in a financial year, reasons for the same shall be specified in the Board's report. The unspent money will be treated in the way as specified in Section 135(5) and 135(6) of the Companies Act, 2013.

Surplus of CSR Projects:

In terms of Rule 7(2) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, surplus, if any, arising out of the CSR projects or programs or activities shall not form part of the business profit of the Company and will be:

- ploughed back into the same CSR Project; or
- transferred to the Unspent CSR Account and spent in pursuance of CSR Policy and Annual action plan of the Company; or
- transferred to a fund specified in Schedule VII,

within a period of six months of the expiry of financial year.



Monitoring and Review Mechanism:

In terms of Rule 6(1)(b) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the administration of the CSR Policy and the execution of identified CSR Projects, programs and activities under it shall be carried out under the superintendence and guidance of CSR Committee who shall report the status of activities and expenditure incurred to the Board periodically.

CSR Reporting:

The Board Report of the Company shall include an annual report on CSR Reporting containing particulars as set out in Annexure I of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Amendments to the Policy:

The Board of Directors on its own and/or as per the recommendations of the CSR committee can amend this policy, as and when deemed fit. Any or all provisions of this CSR policy are subject to the applicable provisions of the Companies Act, 2013 and any subsequent amendments thereof from time to time.

