

HOTEL POLO TOWERS LIMITED
(Formerly Hotel Polo Towers Private Limited)

CORPORATE SOCIAL RESPONSIBILITY POLICY (“CSR POLICY”)

1. INTRODUCTION

The objective of Corporate Social Responsibility (CSR) is to benefit the society by improving the quality of individuals, their families and local community at large.

Hotel Polo Towers Limited (hereinafter to be referred as "**the Company**") through its CSR activities intends to participate in the overall development of the society and encourage alignment with Social Development Goals (SDGs) related to gender sensitivity, skill enhancement, entrepreneurship development, research in education, Hygiene & Water etc. The Company is giving due priority to CSR and will attempt to effect positive change in the quality of life of the underserved in line with the Group philosophy.

This policy lays down the guidelines and mechanism for undertaking socially useful programs for welfare and sustainable development of the community at large. The Company's CSR policy has been framed in accordance with Section 135 of the Companies Act, 2013 and the rules framed thereunder. This Policy covers all the internal dimensions of the CSR structure and further captures and sets out the process of implementation of the CSR related activities.

2. SCOPE

This Policy shall apply to all the CSR projects undertaken by the Company, whether such project is executed in collaboration with any other agency or on its own.

3. DEFINITIONS

- a. "**Act**" means the Indian Companies Act, 2013, including any Statutory modification or re-enactment thereof.
- b. "**Board**" means the Board of Directors of the Company.
- c. "**Company**" means Hotel Polo Towers Limited
- d. "**Corporate Social Responsibility**" (**CSR**) means the activities undertaken by the Company in pursuance of its statutory obligation laid down in section 135 of the Act in accordance with the provisions contained in the CSR 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 Company 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.

e. **“CSR Activities”** means the activities to be undertaken by Hotel Polo Towers Limited in areas or subject specified in Schedule VII to the Act and specified under this Policy.

f. **“CSR Committee”** means the Corporate Social Responsibility Committee of the Board constituted by the Company.

g. **“CSR Rules”** means the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

h. **“CSR Policy”** means this Policy.

i. **“CSR Expenditure”** shall include all expenditures including contribution to the corpus, for projects or programs relating to CSR activities approved by the Board of Directors/CSR committee of the Company.

j. **“Net profit”** shall have the meaning ascribed to it in the Act.

k. **“Ongoing Project”** means a multi-year project undertaken by the Company in fulfillment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the Board based on reasonable justification.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Act or the Rules made thereunder, as may be amended from time to

time, shall have the meaning respectively assigned to them therein.

4. CORPORATE SOCIAL RESPONSIBILITY PROGRAMS AND PROJECTS

The Company may undertake / fund projects, programs or activities of the following nature and also undertake such other activities as may be approved by the Board/CSR committee as per Schedule VII of the Companies Act, 2013: -

- i. Eradicating hunger, poverty, and malnutrition, promoting health care (including preventive health care) and sanitation including contribution to the Swachh Bharat Kosh set up by the Central Government for the promotion of 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, daycare centers, and 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 including contribution to Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.
- 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; Central Armed Police Forces (CAPF) and Central Paramilitary Forces (CPMF) veterans, and their dependents including widows.
- 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 including Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES 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 to incubators or research and development projects in the field of science, technology, engineering, and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government.

Contributions to public-funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defence Research and Development Organization (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

- x. Rural development projects.

- xi. Slum area development.

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.

- xii. Disaster management, including relief, rehabilitation, and reconstruction activities.

5. CSR COMMITTEE CONSTITUTION

Pursuant to **Section 135(9)** of the Companies Act, 2013, where the amount required to be spent by the Company towards CSR activities **does not exceed ₹50,00,000 (Rupees Fifty Lakh)** in a financial year, the constitution of a CSR Committee shall not be mandatory and the functions of the CSR Committee shall be discharged by the Board of Directors

Provided that, if at any time the Company's CSR obligation exceeds ₹50,00,000, the Company shall constitute a CSR Committee in accordance with the provisions of the Act and the Rules.

6. ROLE OF THE BOARD

- i. Formulate, approve and oversee the implementation of the CSR Policy and indicate the activities to be undertaken by the Company.
- ii. Recommend the amount of expenditure to be incurred on the activities mentioned in point no. (i).
- iii. Monitor the Corporate Social Responsibility Policy of the company from time to time.

- iv. Review and recommend any new CSR initiatives to be taken up by the company.
- v. Review the progress of CSR projects already undertaken by the company and the utilization of budgets for each such projects.
- vi. Review and recommend the CSR report to be included in the board's report.
- vii. Review and recommend any amendments to be made in the CSR policy of the Company.
- viii. To carry such other functions as may be required relating to CSR activities of the company.

7. CSR EXPENDITURE

- i. As per Section 135(5) of the Companies Act, 2013, the company needs to spend 2% of its average net profits of the company made during the three immediately preceding financial years, the calculations of same shall be placed and approved by the board.
- ii. The Board shall recommend the amount of CSR Expenditure to be incurred in a year, in accordance with the Act and the Rules. For this purpose, the Board shall ensure a designated officer from the finance department of the Company provides the relevant financial data and such other necessary details to the Board to enable the Board to recommend the amount of CSR Expenditure to the Board.
- iii. The Board shall be responsible for sanctioning the CSR Expenditure and taking steps to ensure that the amount for the CSR Expenditure is available if any, for application towards the CSR Activities.
- iv. In order to count towards CSR Expenditure, CSR Activities must be carried out in India and should not be solely for the benefit of the employees of the Company and their families.
- v. Any amounts contributed directly or indirectly to any political party under Section 182 of the Act will not count towards CSR Expenditure or considered a part of CSR Activities.
- vi. Any amounts expended while undertaking activities in pursuance of normal course of business of a Company or on an item not in conformity or in line with activities set out in Schedule VII of the Act, will not form a part of CSR Expenditure.
- vii. The Board shall ensure that expenditure, if any incurred towards any capacity building exercise internally or of Implementing Agencies through institutions with established track record of at least three financial years, as the case may be, shall not exceed five percent (5%) of the total CSR Expenditure in a financial year, in accordance with Rule 4(6) of the Companies (CSR Policy) Rules, 2014.

8. SURPLUS ARISING, IF ANY

Any surplus arising out of the CSR projects or programs or activities shall not form part of the business profit of a company.

9. IMPLEMENTATION

The Implementation of the CSR activities of the Company will be governed by the Board of the Directors of the Company. The Company may also carry out its CSR Activities through any of the followings:

- i. Any other registered trust or a registered society or a Company established by the Company itself or its holding or subsidiary or associate Company under section 8 of the Companies Act, 2013 or otherwise;
- ii. Any registered trust or a registered society or section 8 Company having a track record of three years in undertaking similar projects, programs or activities, if the same is not established by the Company itself or its holding or subsidiary or associate Company;
- iii. The Company shall ensure that such Trust, Society or Section 8 Company **is registered with the Ministry of Corporate Affairs and possesses a valid CSR Registration Number**, before making any contribution on or after 1st April, 2021.before making contribution on or after 1st April, 2021;
- iv. The Company may also collaborate with other Companies for undertaking CSR project or programs or activities

10. GOVERNANCE/REPORTING

- i. The Company shall specify the projects/programmes to be undertaken by such an organization, modalities for utilizing funds provided by it.
- ii. The Company shall establish a monitoring mechanism to ensure that the allocation is spent for the intended purpose only and shall periodically monitor and evaluate the performance of the Projects and the achievement of targets.
- iii. The Board shall review the implementation of the CSR Programmes from time to time and issue necessary directions to ensure orderly and efficient execution of the CSR Programmes in accordance with this Policy.
- iv. The Board of a company shall satisfy itself that the funds so disbursed have been utilized for the purposes and in the manner as approved by it and the person responsible for financial management shall certify to the effect.
- v. In case of ongoing project, the Board of a Company shall monitor the implementation of the 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 project within the overall permissible time period

- vi. Every year, an annual CSR Action Plan (hereinafter referred to as 'CSR Plan') delineating the CSR Programmes to be carried out during the financial year shall be placed before the Board, including the budgets thereof, their manner of execution, implementation schedules, modalities of utilization of funds, and monitoring & reporting mechanism for the CSR Programmes. The Board will consider and approve the CSR Plan with such modification that may be deemed necessary; the CSR Plan may also be modified by the Board during the financial year, as the case may be.

At the end of every financial year, the Board of Directors will consider and approve the Annual Report on CSR activities in the format as prescribed under the Companies (CSR Policy) Rules, 2014 and recommend the same for the approval of the Board. The said Report will be disclosed as part of the Report of the Board of Directors.

- vii. The Company shall display the CSR Policy & Projects approved by the Board on its website.

11. UNSPENT CSR MONEY / EXCESS CSR EXPENDITURE

- i. CSR expenditure will include all expenditure, direct and indirect, incurred by the Company on CSR Programmes undertaken in accordance with the approved CSR Plan.
- ii. Any income arising from CSR Programmes will be netted off from the CSR expenditure and if in case any surplus arises, such amount will be reported as CSR surplus and used for CSR purpose only.
- iii. In case the Company is not able to spend the money earmarked for CSR expenditure and any income/surplus arising out of the CSR activities, it shall transfer such fund as may be notified in Schedule VII in the following manner –
 - i. where the unspent amount is related to an Ongoing Project, such unspent amount shall be transferred to the 'Unspent Corporate Social Responsibility Account' in a separate bank account within a period of 30 days from the end of the financial year and the same shall be spent within a period of three financial years from the date of such transfer in the manner as prescribed in section 135(6) of the Act and the Rules, 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.; and
 - ii. Where the unspent amount is not related to an Ongoing Project, such unspent amount shall be transferred to a Fund as may be specified in Schedule VII, within a period of **six months from the end of the relevant financial year or such other period as may be prescribed under applicable law.**

12. DISPLAY OF CSR ACTIVITIES ON ITS WEBSITE

As per Rule 9 The Companies (Corporate Social Responsibility Policy) Rules, 2014 The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee (if applicable), and CSR Policy and Projects approved by the Board on their website, if any, for public access.

13. CONFIDENTIALITY

All deliberations of the board, and all records, material and information pertaining to the Corporation obtained by a member of the board shall be considered confidential. Board members shall maintain the confidentiality of such deliberations, and shall safeguard such records, material and information from improper access.

14. AMENDMENT OF POLICY

The Board of directors of the Company shall review the CSR Policy from time to time-based on the changing needs and make suitable modifications as may be necessary with the approval of the Board.

In case of any amendment(s), clarification(s), circular(s), etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.
