

# ADVANI HOTELS & RESORTS (INDIA) LIMITED

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## Corporate Social Responsibility (CSR) Policy

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### 1. Preamble

Corporate Social Responsibility is strongly connected with the principles of Sustainability; an organisation should make decisions based not only on financial factors, but also on the social and environmental consequences. Therefore, it is the Company's core corporate responsibility to uphold its corporate values by committing to grow in a socially and environmentally responsible way while meeting the interests of its stakeholders.

The Company recognises that its business activities have a wide impact on the societies in which it operates, and therefore an effective practice is required, giving due consideration to the interests of its stakeholders, including shareholders, customers, employees, suppliers, business partners, local communities and other organisations. The Company endeavours to make CSR a key business process for sustainable development. The company is responsible for continuously enhancing shareholders wealth; it is also committed to its other stakeholders to conduct its business in an accountable manner that creates a sustained positive impact on society. Our Company is committed towards aligning with nature; and has adopted eco-friendly practices.

As a corporate entity, the Company is committed towards sustainability. Ongoing dialogues with shareholders provide a valuable approach with an objective that each business decision takes into account its social and environmental impacts and plans.

### 2. Short Title & Applicability

This policy, which encompasses the Company's philosophy for delivering its responsibility as a corporate citizen and lays down the guidelines and mechanisms for undertaking socially useful programs for welfare & sustainable development of the community at large, is titled as the "AHRIL CSR Policy". It has been prepared keeping in mind the Company's business ethics and to comply with the requirements of the Companies Act, 2013 (hereinafter called as "the Act") and the Companies (Corporate Social Responsibility Policy) Rules, 2014, notified by the Ministry of Corporate Affairs, as amended from time to time.

This policy shall apply to all CSR initiatives and activities taken up at the various work-centres and locations of the Company, for the benefit of different segments of society, specifically the deprived, under-privileged and differently abled persons.

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### 3. CSR Vision Statement & Objective

Corporate Social Responsibility is a form of corporate self-regulation integrated into a business model. Therefore, the policy will function as a built-in, self-regulating mechanism whereby the business will monitor and ensure its active compliance with the spirit of law, ethical standards and international norms.

The main objective of the Policy is to establish the basic principles and the general framework of action for the management to undertake and fulfil its corporate social responsibility.

### 4. CSR Committee

The composition of the CSR Committee of the Board of Directors is as follows:

- i) Mrs. Menaka S. Advani – Chairperson & Non-Executive Director
- ii) Mrs. Nina H. Advani - Member & Non-Executive Director
- iii) Mr. Nitin Kunkolienker – Member & Independent Director

#### **Meeting:**

The CSR Committee shall hold meetings as and when required to discuss various issues on the implementation of the CSR Policy of the Company.

The CSR Committee may invite members of senior management, representatives of the Company and other persons as it deems necessary to the Committee meetings.

#### **Quorum**

The quorum for a meeting of the CSR Committee shall be two members.

### 5. Role of CSR Committee

The role of the CSR Committee is:

- a. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act 2013;
- b. To recommend the amount of expenditure to be incurred on the activities referred to in clause (a) in a financial year;

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- c. To monitor the Corporate Social Responsibility Policy of the Company from time to time.
- d. Any other matter/thing as may be considered expedient by the members in furtherance of and to comply with the CSR Policy of the Company.

The Board of Directors shall endeavour that the Company spends 2% of the average pre-tax net profits of the Company made during the 3 immediately preceding financial years in pursuance of its CSR Policy.

### 6. Resources Funding & Allocation

For achieving its CSR objectives through the implementation of meaningful & sustainable CSR programs, the Company will allocate 2% of its average net profits made during the 3 immediately preceding financial years as its Annual CSR Budget.

The Annual CSR Budget shall be spent on activities laid down in this Policy. CSR expenditure shall include all expenditure, including contributions to the corpus of flagship projects, projects or programs relating to CSR activities as per CSR policy, but does not include any expenditure on an item not in conformity with the CSR Policy.

### 7. Activities, Planning & Implementation Areas for Activities

The CSR Committee has identified the following thrust areas around which the Company shall be focusing for its CSR activities:

- i. Eradicating hunger, poverty and malnutrition, promoting health care, including preventive health care and sanitation, including contribution to the Swach 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 vocational skills, especially among children, women, the 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 centers, 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, agro forestry, conservation of natural resources and maintaining quality of soil, air and water, including

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- contribution to the 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;
  - vii. Training to promote rural sports, nationally recognised 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. Contributions 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;

All CSR initiatives/projects/programs/activities shall continue to fall under the purview of Schedule VII of the Act. The CSR Committee may include any other areas falling within Schedule VII of the Act (and amendments thereto) from time to time.

The CSR projects, programs or activities undertaken by the Company as per the Company's CSR Policy in India only shall amount to CSR Expenditure in accordance with the provisions of sub-section (5) of section 135 of the Act.

The Company will prefer to take up projects for spending the amount earmarked for CSR in local areas and areas where the Company operates.

All expenses and contributions for CSR activities will be made after approval from the Chairman of the CSR Committee, which would then be placed before the forthcoming CSR Committee for noting and recording. The Chairman will ensure that the expenses/contribution and donations will be in full compliance with the CSR Policy.

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### 8. **Implementing Agency and Partnerships**

The Company may decide to undertake its CSR activities directly or through a Registered Trust, a Registered society or a Company established under section 8 of the Act by the Company or along with any other Company or otherwise. Provided that –

If such trust, society or Company is not established by the Company or any other company, it shall have an established track record of three years in undertaking similar programs or projects.

Collaborative partnerships may be formed with the internal as well as external stakeholders, which shall include the Government, the village panchayats, NGOs, the District Authorities and other like-minded stakeholders.

### 9. **Exclusions**

The CSR activities shall be undertaken by the Company (either new or ongoing), excluding activities undertaken in pursuance of its normal course of business.

The contribution of any amount directly or indirectly to any political party shall not be considered as a CSR activity in accordance with this policy.

The CSR projects, programs or activities that benefit the employees of the Company and their families shall not be considered as CSR activities in accordance with this policy.

### 10. **CSR Funds**

The corpus for the purpose of carrying on the aforesaid activities would include the following:

- 2% of the average Net Profit made by the Company during the immediately preceding three Financial Years.
- any income arising there from.
- surplus arising out of CSR activities carried out by the Company, and such surplus will not be part of the business profit of the Company.

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### 11. Monitoring of CSR Activities

CSR Committee of the Company will be responsible for the monitoring of various CSR projects, programs or activities undertaken by the Company directly or indirectly. The CSR Committee shall ensure that:

- i. The company undertakes the CSR activities as provided in the CSR policy
- ii. The budget allocated for each of the projects is utilised for the projects as per the approved plans.
- iii. The objective of the project/program/activities is achieved as per the plans
- iv. Wherever projects/programs/activities are undertaken in partnership with one or more organisations, the part of the project or program undertaken by the Company shall be distinguishable and necessary supporting documents in respect of the same shall be obtained from the other partners / implementing agency on an annual basis.

The CSR Committee may appoint officers to undertake, supervise and monitor the CSR activities and expenditures, who will submit a periodical report to the CSR Committee.

The Company shall provide necessary resources and human capital for implementation and effective monitoring of the CSR projects and programs as may be directed by the CSR Committee. The services of any external agencies or persons who have experience in the same or similar projects or programs undertaken or proposed to be undertaken by the Company may also be made available for the successful implementation and monitoring of the project.

### 12. General

In case of any doubt concerning any provision of the policy and also in respect of matters not covered herein, a reference shall be made to the CSR Committee. In all such matters, the interpretation & decision of the CSR Committee shall be final.

Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the guidelines on the subject as may be issued by the Government, from time to time.

The CSR Committee reserves the right to modify, add, or amend any of the provisions of this Policy, subject to approval of the Board.

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