

CSR Policy – Asian Hotels (West) Limited

I. Philosophy:

Asian Hotels (West) Limited has always strived for creating awareness and conservation of environment for the betterment of mankind and has constantly taking initiatives for conservation and sustainability of environment. The policy on Corporate Social Responsibility (CSR) is adopted by the Company to align its philosophy to initiate measures and pursue socially useful programmes with the objectives and activities of CSR envisaged and incorporated in the Companies Act, 2013 and the rules made there under.

II. Preamble:

The policy outlines the Company's responsibility as a Corporate Citizen and lays down the guidelines and mechanism for undertaking activities for welfare & sustainable development of the Community at large.

The core elements of the CSR is the continuing commitment by business to ethical principles, protection of human rights, care for the environment while improving the quality of life of all the stakeholders including local community and society at large.

It is the Company's conscious strategy to design and implement CSR programmes, by enriching value chains that encompass the disadvantage sections of society, especially those residing in rural India, through economic empowerment based on grass root capacity building.

This policy shall apply to all CSR initiatives and activities taken up by the Company for the benefit of different segments of society.

III. Scope & List of CSR Activities:

The Company would carry out its CSR activities with the objective of overall community development and for philanthropic activities.

The Company may undertake any of the following activities as its CSR activities:

- (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 vocational 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 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, 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 dependants;

- (vii) Training to promote rural sport, 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) Such other matters as may be prescribed under applicable statute;
- (xii) Such other activity as may be thought fit by the CSR Committee and approved by the Board.

IV. CSR Committee

- Company has constituted CSR committee of the Board consisting of Mr. Sudhir Gupta, Chairman, Mr. Raj Kumar Bhargava & Mr. Surendra Singh Bhandari as Independent Directors.
- The CSR Committee shall recommend to the Board the amount of expenditure to be incurred by the Company on CSR activities and the Board will ensure that the activities as are included in the CSR Policy are undertaken by the Company subject to and in accordance with the provisions of Section 135 of the Companies Act, 2013.
- The CSR Committee may delegate its responsibility to any senior or key managerial person as and when deemed fit.
- The composition of CSR Committee shall be disclosed in the Board's report.

V. Amount of expenditure to be incurred on the CSR activities

- The Company will endeavour to spend the following amounts for CSR activities in pursuance of this Policy:
 - i) 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 "average net profits" shall be calculated in accordance with the provisions of section 198 of the Companies Act, 2013 and the rules made there under from time to time.
 - ii) Any income arising from the activities mentioned above.
 - iii) Surplus arising out of CSR activities.
- Amount spent on CSR activities shall include all expenditure including contribution to corpus for projects or programs relating to CSR activities approved by the Board on the recommendation of its CSR Committee, but will not include any expenditure on an item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Companies Act, 2013.
- Any surplus arising out of the CSR activity will not be part of the business profits of the Company.

- The CSR Committee will approve the expenditure on CSR activities within monetary limits sanctioned by the Board for such activities.

VI. **What is not CSR**

CSR activities will not, however, include the following:

- Activities undertaken in pursuance of Company's normal course of business;
- Activities which benefit only the employees of the Company and their families;
- Contribution directly or indirectly to any political parties;
- Activities undertaken outside the country;

VII. **Modalities of Execution/Implementation**

- CSR activities may be initiated / implemented/ executed:

i) By the Company; or

ii) Through:

a) A registered trust, registered society or a company established by the Company or its holding or subsidiary or associate company under Section 8 of the Companies Act, 2013.

b) If such trust, society or a company is not established by the Company or its holding or subsidiary or associate company, the eligible CSR activities will be undertaken in collaboration with a specialized organization, institution or agency which has an established track record of atleast three years in undertaking CSR projects or in carrying on permissible CSR activities.

c) An agreement / contract or any other written communication will be executed by the Company.

- CSR Committee shall have full discretion to specify or modify the modalities of execution of CSR projects or programs and to determine implementation schedules.

VIII. **Monitoring of this CSR policy**

- It will be the responsibility of the CSR Committee to monitor periodically the implementation of the projects / programmes / activities under this CSR policy and to ensure compliance of the provisions related to CSR mentioned in the Companies Act, 2013 and rules made there under from time to time.

- The progress of CSR initiatives and activities will be reported to the Board.

IX. **Role of Board**

The role and responsibility of the Board shall include:

- Approval of CSR policy after taking into account the recommendations of the CSR Committee.
- Reporting in the Board's report brief outline of this CSR policy including overview of projects or programs, composition of CSR Committee, average net profits of the Company for the last three financial years and prescribed CSR expenditure as required under the Companies Act, 2013 and rules

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made thereunder alongwith i) the total amount spent on CSR activities in the financial year and ii) amount unspent, if any.

- Ensure that the contents of the CSR policy are displayed on www.asianhotelswest.com i.e. website of the Company in the manner prescribed under the applicable statute.
- Ensure that the CSR activities are undertaken and executed by the Company as per this CSR policy and the applicable laws.
- Specify in the Board's report, the reasons, if the required amount is not fully spent in CSR activities.

X. General

The CSR Policy referred to above is to be read in conjunction with the Companies Act, 2013 and Companies (CSR Policy) Rules, 2014.

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

The above Policy Guidelines are subject to review at suitable intervals and subject to revision accordingly.
