

Sarovar Hotels Private Limited

Corporate Social Responsibility (CSR) Policy

1. PHILOSOPHY AND VISION:

“MORE THAN A COMPLIANCE, IT IS A SOCIAL DUTY”

“Corporate Social Responsibility” (CSR) is a way of conducting business, by which corporate entities visibly contribute to the social good. The essence of CSR is to integrate economic, environmental and social objectives with the Company’s operations and growth. CSR is the process by which an organization thinks about and evolves its relationships with society for the common good and demonstrates its commitment by giving back to society for the resources it used. The Companies Act, 2013 (*“the Act”*) stipulates the provisions regarding mandatory adherence to the Corporate Social Responsibility practices by the prescribed companies.

2. COMPANY’S BACKGROUND:

SAROVAR HOTELS PRIVATE LIMITED was incorporated on 10th September, 1993. The Company has one major business segment namely ‘Hotel/Hospitality Services’

‘**Hotel/Hospitality**’ segment is mainly involved in providing the Hotel and Hospitality Services including Accommodation Services.

3. TITLE:

This policy, which encompasses the Company’s philosophy for describing its responsibility as a corporate citizen, and lays down the guiding principles for selection, implementation and monitoring of activities as well as formulation of the annual action plan is titled as the **“Sarovar Hotels Private Limited - Corporate Social Responsibility Policy”** (hereinafter referred as the **“CSR Policy”** or **“Policy”**).

4. APPLICABILITY:

The CSR Policy shall apply to all CSR projects, programs, activities and initiatives to be undertaken by the Company for the benefit of different segments of society.

5. CSR VISION STATEMENT:

“Help to improve lives by partnering with communities to deliver lasting solutions.”

The Vision statement is built on the four value pillars:

- ❖ Improving Lives
- ❖ Sustainable Development
- ❖ Partnerships
- ❖ Care and Concern

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6. OBJECTIVES OF THE COMPANY'S CSR POLICY:

The CSR policy intends to:

- ❖ Strive for social, cultural, environmental and economic development that positively impacts the society at large with a minimal resource footprint.
- ❖ Embrace responsibility for the Company's actions and encourage a positive impact through its activities on hunger, poverty, malnutrition, environment, communities, stakeholders, society, etc.
- ❖ Promote healthcare including preventive healthcare
- ❖ Improve education with a special focus on vocational skill development programs
- ❖ Promote income generation and livelihood enhancement programs
- ❖ Provide relief and assistance to victims of disasters and calamities

7. DEFINITIONS & REFERENCES:

❖ DEFINITIONS:

- The terms defined in this CSR Policy shall have the meanings herein specified and terms not defined shall have the meanings as defined in the Companies Act, 2013 and Companies (Corporate Social Responsibility) Rules framed thereunder including any statutory modifications or re-enactments thereof.
- The “**Board of Directors**” means “**means the collective body of the directors of the company;**”.
- The “**Act**” means “**Companies Act, 2013** or any other previous Company Law”

❖ REFERENCES:

Reference to any Act, Rules, Statute or Notification shall include any statutory modification, substitution or re-enactment thereof.

8. AREAS / LOCALITIES TO BE COVERED:

The Company shall give preference to the local area and the areas around it where it operates, for spending the amount earmarked for CSR activities. On need basis, the CSR activities could be extended to whole of India.

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9. CSR COMMITTEE:

As per the requirement of Section 135 of the Companies Act, 2013, the CSR Committee is formed by the Board of Directors in accordance with the requirement of provisions of the Companies Act, 2013.

- i. The CSR Committee shall comprise of at least two or more Members who are to be appointed from amongst the Board of Directors of the Company.
- ii. The Board of Directors shall at its sole discretion, have the power to appoint any Member, remove any such Member so appointed and appoint another in his/her place. Any such appointment and/or removal shall be made by a resolution of the Board.
- iii. The Chairperson of the CSR Committee shall be designated by the Board of Directors from amongst the Committee members.
- iv. The Board of Directors will have the power to reconstitute CSR Committee as and when required from time to time.
- v. The CSR Committee may nominate any official of the Company other than the Board of Directors of the Company to help execute and monitor the implementation of the CSR activities.
- vi. The CSR Committee may meet as and when required. The CSR Committee shall be entitled to invite any person to attend its meetings and participate in the discussion and deliberations if it thinks fit.
- vii. The quorum necessary for the transaction of business of the CSR Committee shall be Two (2) Members (present in person or by any other permissible means).
- viii. A duly convened meeting of the CSR Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the CSR Committee as provided herein and delegated by the Board of Directors from time to time.

❖ The CSR Committee shall have the following responsibilities:

- a) Formulate and recommend to the Board of Directors, a Corporate Social Responsibility Policy ("**CSR Policy**") which shall indicate the CSR activities to be undertaken by the Company in areas or subjects, specified in Schedule VII of the Act.
- b) Recommend the amount of expenditure to be incurred on the specific CSR initiatives based on the activities referred to in clause (a).

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- c) Monitor or appoint a senior official of the Company to monitor the CSR Policy of the Company, its implementation and expenditures periodically.
- d) Report to the Board of Directors of the Company the reasons for not spending the amount budgeted for CSR.
- e) Provide to the Board of Directors, a responsibility statement that the implementation and monitoring of CSR Policy, is in compliance with the CSR Objectives and Policy of the Company.
- f) Frame any other bye-laws, rules or procedures as it may deem fit for administering the CSR Policy.
- g) CSR Committee, in the exercise of its powers, may require any information from the Company, and/or seek the assistance of any employee of the Company as it may deem fit to effectively discharge its duties.
- h) To adhere to Section 135 of the Act and CSR Rules (including any statutory modifications, amendments or re-enactments thereto for the time being in force).
- i) All other activities as informed or delegated by the Board of Directors from time to time.

10. ANNUAL ACTION PLAN:

The CSR Committee will, in pursuance of the CSR policy, formulate and recommend to the Board, an annual action plan which shall include the following, namely:-

- (a) the list of CSR projects or programmes that are approved to be undertaken in areas and subjects specified in Schedule VII of the Act;
- (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; provided that the Board may alter such plan at any time during the financial year, as per the recommendation of the CSR Committee, based on the reasonable justification to that effect.

11. VALIDITY AND MAINTENANCE OF CSR POLICY:

The CSR policy will be maintained by the CSR Committee of the Company and will be reviewed by the Board of Directors at periodic intervals.

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12. CSR ACTIVITIES:

- i. The Company shall undertake such CSR activities as stated by this CSR Policy in compliance with Rule 4(1) of the CSR Rules as amended from time to time as well as activities listed in the Schedule-VII of the Companies Act, 2013 as amended or modified from time to time.
- ii. The CSR activities shall be undertaken only in India.
- iii. The following CSR projects or programs or activities are not considered as CSR activities pursuant to the provisions of the Companies Act, 2013:
 - a) activities undertaken in pursuance of normal course of business of the Company;
 - b) 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 representing India at international level;
 - c) contribution of any amount directly or indirectly to any political party under section 182 of the Companies Act, 2013;
 - d) activities benefitting employees of the Company as defined in clause (k) of section 2 of the Code on Wages, 2019;
 - e) activities supported by the Company on sponsorship basis for deriving marketing benefits for its products or services;
 - f) activities carried out for fulfilment of any other statutory obligations under any law in force in India.
- iv. In case of contribution of any amount made through the Corpus of a registered public Trust / a registered Society / Section 8 Company etc., registered under section 12A and 80 G of the Income Tax Act, 1961 (43 of 1961), the CSR Committee shall ensure that such a registered public Trust / a registered Society / Section 8 Company are created exclusively for undertaking CSR activities or for a purpose directly relatable to a subject covered in Schedule VII of the Act.
- v. The CSR amount may be spent by the Company for the creation or acquisition of a capital asset, which shall be held by –
 - a. a company established under section 8 of the Act, or a Registered Public Trust or Registered Society, having charitable objects and CSR Registration Number under sub-rule (2) of rule 4 of the CSR rules; or
 - b. beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
 - c. a public authority.

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13. CSR BUDGET:

- i. The Board of Directors shall ensure that in each financial year the Company spends at least 2% of the average net profit made during the three immediately preceding financial years, if any. The net profit shall be calculated in accordance with the provisions of Section 198 of the Companies Act, 2013.
- ii. The Board of Directors shall ensure that in case the Company is unable to spend the amount or have underspent the allocated CSR budget for any financial year, the balance amount would be transferred to CSR Provisions.
- iii. CSR expenditure includes all expenditures including contribution to the corpus, the projects or programs relating to CSR activities approved by the Board of Directors on the recommendation of its CSR Committee, but does not include any expenditure on any item not in conformity or not in line with activities which fall within the purview of Schedule VII of the Act.
- iv. In case any surplus arises out of CSR projects, the same shall not form part of the business profits of the Company and shall be ploughed back into the same project or shall be transferred to the Unspent CSR Account and spent in pursuance of CSR policy and annual action plan of the company or shall be transferred to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.
- v. The Company may collaborate or pool resources with other Companies to undertake CSR activities.
- vi. As per Section 135 of the Companies Act, 2013 (*"the Act"*), the Company will report in its Board's Report to the members of the Company with reasons, if any, for under spending or not spending the allocated CSR Budget in any financial year.

14. IMPLEMENTATION PROCESS:

- a. The CSR Policy shall be implemented by the CSR Committee under the broad policy and/or frame work laid down by the Board of Directors in this regard from time to time.
- b. CSR Committee may nominate any official of the Company other than the Members of the Company to help execute and monitor implementation of the CSR activities. Such an official shall directly submit his/her Report to the CSR Committee.
- c. The CSR Committee shall identify the CSR activities along with the geographical area in which the same shall be undertaken by the Company.
- d. The CSR Committee shall also estimate the total amount of expenditure to be incurred and time required by the Company for undertaking such CSR activities.
- e. On determination of the modalities, the CSR Committee shall present a proposal before the Board of Directors.

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- f. The time period/duration over which a particular project will be spread, will depend on its nature, extent of coverage and the intended impact of the project.
- g. The CSR Committee shall authorize any of its members to approve the release of funds against the verified work plans in accordance with the budget for undertaking the CSR activities as approved by the Board.
- h. CSR activities shall be undertaken by the Company in accordance with the CSR Action Plan, which, as stated above, will be annually recommended by the CSR Committee and approved by the Board of Directors.
- i. The CSR activities may be undertaken and/or implemented by the Company itself or through –
 - i. company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961 (43 of 1961), established by the Company, either singly or along with any other company, or
 - ii. a company established under section 8 of the Act or a registered trust or a registered society, established by the Central Government or State Government; or
 - iii. any entity established under an Act of Parliament or a State legislature; or
 - iv. a company established under section 8 of the Act, or a registered public trust or a registered society, registered under section 12A and 80G of the Income Tax Act, 1961, and has an established track record of at least three years in undertaking similar activities.

Provided that any such implementation agency is registered in accordance with the provisions of the CSR Rules if required.
- j. The Company may engage international organizations for designing, monitoring and evaluating the CSR projects or programmes as per this policy as well as for the capacity building of its own personnel for CSR.
- k. The Company may also collaborate with other companies for undertaking projects or programs or CSR activities in such a manner that the CSR Committees of respective companies are in a position to report separately on such projects or programs in accordance with the CSR Rules.
- l. The Board of a company shall satisfy itself that the funds so disbursed have been utilised for the purposes and in the manner as approved by it and the Chief Financial Officer or the person responsible for financial management shall certify to the effect.
- m. 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.
- n. The authorized member shall periodically update the members of the Committee about the allocation/utilization of funds towards the CSR activities.

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15. MONITORING:

- a. The Committee shall discuss the progress of each project undertaken and make any decision with respect to the project which it thinks fit.
- b. The CSR Committee shall monitor the CSR expenditure on a periodical basis and shall provide a periodical report to the Board of Directors on the implementation of CSR activities.

16. IMPACT ASSESSMENT:

The impact assessment shall be undertaken by the Company or through independent professional third parties / professional institutions, especially on the strategic and high-value programs. The same will be in accordance with the CSR Action Plan, which, as stated above, will be annually recommended by the CSR Committee and approved by the Committee of the Company.

17. REPORTING:

The Board's report shall include an annual report on CSR containing the particulars of the CSR activities in the manner as specified in the CSR Rules.

18. DOCUMENTATION:

The CSR Committee of the Company will ensure that CSR projects are documented and accountability is fixed at the requisite level of the CSR process and the implementation mechanism. A repository of case studies and good practices may be compiled to learn from and build upon successful interventions.

19. DISPLAY OF THE CSR POLICY ON THE WEBSITE OF THE COMPANY:

The Company shall comply with Section 135 of the Act by ensuring that it makes full disclosure of its CSR Policy, Projects / Programmes, Activities, monitoring mechanism, Implementing Agencies, Expenditure details as well as the composition of the CSR Committee of the Company on the website of SAROVAR HOTELS PRIVATE LIMITED i.e. www.sarovarhotels.com

20. MISCELLANEOUS:

The Company reserves the right to modify, cancel, and/or amend any of the provisions of this policy in accordance with the prevailing statute.

Notwithstanding any clause in this Policy, no action pertaining to CSR activities shall be taken in contravention of the provisions of Section 135 of the Act and CSR Rules.
