



## CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY

**Effective Date:** With the approval of the Board pursuant to its resolution dated 28.05.2014.

**Amended:** With the approval of the Board pursuant to its resolution dated 12-02-2018.

Bharat Hotels Limited (the “**Company**”) believes in developing destinations not just hotels. It is the people and the environment of the destinations that account for the success of our hotels.

Our initiatives involve the local population, promote their handicrafts, culture and food, give training and employment to the youth thereby giving a boost to the economic environment. Accordingly, the Company has not lost sight of its commitment to play its role as an enlightened corporate citizen and Corporate Social Responsibility (“**CSR**”) has always been on the Company agenda.

### **Scope and Purpose:**

In accordance with Section 135 of the Companies Act, 2013, as amended (the “**Companies Act**”) and the Companies (CSR Policy) Rules, 2014, as amended (the “**CSR Rules**”), every company having a net worth of Rs. 500 crores or more, or turnover of Rs. 1000 crores or more, or net profit of Rs. 5 crores or more during the immediately preceding financial year, shall constitute a CSR committee to recommend to its board of directors a CSR policy that indicates activities to be undertaken by a company for CSR in such a manner that the company would spend at least 2% of its average net profits made during the three immediately preceding financial years on CSR activities.

The CSR committee of the board of directors shall consist of three or more directors, out of which at least one director shall be an independent director.

The Company has a net worth of more than Rs.500 crore and, therefore, the board of directors of the Company (the “**Board**”) in its meeting held on 14<sup>th</sup> March, 2014 had constituted a CSR committee (the “**CSR Committee**”) of the Board and approved the CSR policy on 28<sup>th</sup> May, 2014 in accordance with the Companies Act, 2013 and the CSR Rules thereunder.

### **Policy Statement:**

This CSR policy (this “**Policy**”) shall be read together with Section 135 of the Companies Act, the CSR Rules and such other rules, regulations, circulars and notifications as may be applicable

and as amended from time to time. The Board has adopted this Policy pursuant to a resolution dated 12-02-2018.

**The Geographic reach:**

The Companies Act requires the Company to give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR. The Company will thus give preference to conducting CSR activities in those states where the hotels of the Company are situated and the Company has/will have its operations. However, the CSR Committee may identify such areas other than stated above, as it may deem fit, and recommend it to the Board for undertaking CSR activities.

**Annual spends/Allocation of Funds:**

The Company would spend not less than 2% of the average Net Profits of the Company made during the three immediately preceding financial years towards CSR activities. The surplus arising out of the CSR activity will not be part of business profits of the Company. The Corpus would thus include the 2% of average net profits, as aforesaid, any income arising there from and surplus arising out of CSR activities.

**CSR Expenditure:**

CSR expenditure shall include all expenditure, including contribution to corpus for CSR activities approved by the Board on the recommendation of the CSR Committee, but does not include any expenditure on an item not in conformity or not included in the activities listed in Schedule VII of the Companies Act.

The following contributions shall not be considered as CSR related expenditure:

- i. Contributions of any amount, whether directly or indirectly, to any political party or any person associated with a political party;
- ii. Amount spent, whether directly or indirectly, for the benefit of employees of the Company, its group companies and their families;
- iii. Expenses incurred by the Company for the fulfilment of obligations under any act / statute or regulations (such as labor laws);
- iv. Expenses incurred by the Company for one off events such as marathons / awards / charitable contribution / advertisement / sponsorships of TV programs etc;
- v. Expenses incurred by the Company for activities undertaken in pursuance of its normal

- course of business; and
- vi. Other contributions / expenses not recognized under the Act / Rules.

**CSR Committee:**

**Committee Members:**

The Chairperson and Members of the Committee are as follows:

Sl. No.	Names	Chairperson / Member
1.	Dr. Jyotsna Suri	Chairperson
2.	Ms. Divya Suri Singh	Member
3.	Ms. Shovana Narayan	Member

***Email id of the Committee will be: [csrcommittee@thelalit.com](mailto:csrcommittee@thelalit.com)***

The CSR Committee consists of three directors, out of which one is an independent director.

The CSR Committee will meet at least once in a year to discuss and review CSR activities and this Policy. A quorum of two members is required to be present for the proceedings to take place. Such other meetings of the CSR Committee can be convened as and when deemed appropriate. The CSR Committee shall have the authority to call such employee(s), senior official(s) and or externals, as it deems fit. The Company Secretary shall act as Secretary to the Committee.

**Scope of Functions of CSR Committee:**

The CSR Committee will perform the following functions:

- i. To formulate and recommend to the Board the Policy of the Company in accordance with Schedule VII of the Act;
- ii. To recommend the amount of expenditure to be incurred on the activities referred to in (i) above; and
- iii. Monitor the Policy of the Company from time to time.

The Policy of the CSR Committee of the Bharat Hotels Limited will, *inter alia*, take into account the following measures:

- i. Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive health care and sanitation and making available safe drinking water;
- ii. Promoting education, including 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, day care centres 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;
- 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 recognized sports, and Olympic sports;
- viii. Contributions 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; and
- 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.

### **Monitoring Mechanism:**

The CSR Committee shall institute a transparent monitoring mechanism for ensuring implementation of the projects/programmes/activities proposed to be undertaken by the Company.

### **Role of the Board:**

- i. After taking into account the recommendations made by the CSR Committee, approve the Policy for the Company.
- ii. Ensure that the CSR activities included in this Policy are undertaken by the Company.

- iii. Ensure that the activities included by the Company in this Policy are related to activities included in Schedule VII of the Act.
- iv. Ensure that, in each financial year, the Company spends at least 2% of the average net profits of the Company made during the three immediate preceding financial years, in pursuance of its Policy.
- v. As per Section 135 of the Act, specify the reasons for failure to spend the CSR amount in its report.

#### **Procedure to implement CSR activities:**

#### **Funding**

- i. In accordance with the Companies Act and the CSR Rules, the Company will set aside, for annual CSR activities, an amount equal to 2% of the average Net Profits of the Company made during the three immediately preceding financial years. Any unutilized CSR allocation of a particular year, will be carried forward to the following year, i.e. the CSR budget will be non-lapsable in nature.
- ii. The details and amount of the proposed expenditure for respective financial year, towards CSR activities will be reviewed and approved by the CSR Committee after considering the average Net Profits of the Company made during the three immediately preceding financial years. The proposed expenditure shall be amended annually according to the financial year after the review by the CSR Committee or at such time, as the CSR Committee may deem fit.
- iii. Tax treatment of CSR spend will be in accordance with the Income- tax Act, 1961 as may be notified by Central Board of Direct Taxes (CBDT).

#### **Planning and Implementation:**

- i. The projects or programs for CSR activities may be divided into two main categories – Direct Project Funding and Employee Engagement. Projects which involve considerable financial commitment undertaken on a timeframe of 1-3 years where the Company will be the primary sponsor, will be considered under Direct Project Funding and accorded due significance.
- ii. A list of CSR projects/program which the Company plans to undertake during the implementation year will be laid down before the CSR Committee at the beginning of each

year, specifying modalities of execution in the areas/sectors chosen and implementation schedules for the same.

- iii. Identification of projects and the executing agency/NGO will be made, *inter alia*, by assessing the following:
  - a. Project objectives;
  - b. Implementation schedules – timelines for milestones of the project will need to be prescribed and agreed upon;
  - c. Responsibilities and authorities;
  - d. Major results expected and measurable outcome including the expenses/charges ratio as against the actual CSR spend; and
- iv. Implementation of CSR activities of the Company will be executed through “The Lalit Suri Educational & Charitable Trust”, a trust for educational and charitable purposes which was set-up by the Company.

**Projects / Partners:**

CSR Committee in consultation with the Board will identify suitable projects or programs for implementation in line with the objectives of the Company and requirements laid down under this Policy. These projects and programs would be executed either directly by the Company and/or through CSR partner(s).

**CSR Initiatives of the Company:**

**Green Initiatives:** After the successful green initiative by planting saplings in Bangalore the Company has taken it up at Khajuraho and New Delhi and also organized free air pollution camps at New Delhi.

**Project Disha :** An initiative of the Lalit Suri Foundation being implemented under this Policy seeks to assist at one level school students and youth from the local population to have access to quality “education leading to employment” and on the other to equip them - to understand the benefit & opportunities available in today’s economic scenario. The area of interventions being undertaken include establishment of a library and supplementing teaching in the areas of English and general knowledge at the school level and, providing employment oriented vocational training in the hospitality sector including

computer literacy, personality development, spoken English courses and life skills training with a special emphasis on workplace behavior to disadvantaged youth in the livelihood skill centers that have also been instituted alongside. These centres are currently in operation four locations across India namely, Khajuraho, Bekal Jaipur and Srinagar.

The initiative is being managed by SEED, a National NGO.

**Review:**

The CSR Committee will review the philanthropic activities of the Company and will provide progress update to the Board every six months/such other intervals as deemed fit. The Chief Financial Officer, who shall be in charge of implementation of the CSR Policy, will present the annual budgets along with the list of approved CSR activities conducted by the Company to the CSR Committee together with the progress made from time to time as a part of the evaluation process under the monitoring mechanism.

**Disclosure**

This Policy shall be disclosed in the annual report of the Company and posted on the website of the Company, if required under the Companies Act, 2013 and rules thereunder, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and any other regulatory requirements.

**Amendments to the Policy:**

The Board on its own and/or as per the recommendations of CSR Committee can amend this Policy, as and when required as deemed fit. Any or all provisions of this Policy would be subject to revision/amendment in accordance with applicable laws on the subject as may be issued from relevant statutory authorities from time to time.

**DATE:** 12-02-2018