

SAMHI HOTELS LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

1. PREAMBLE

At SAMHI Hotels Limited (“**Company**”), we are committed to the vision of corporate and business responsibility. We believe in the relentless commitment towards economic, environmental, social development for our employees and their families as well as the community and society at large. Our strategic corporate social responsibility (“**CSR**”) initiatives are dynamic efforts towards such commitments. We recognise that the responsibilities are not limited to business objectives but also lie towards society and its welfare. Keeping the above in mind, we have formulated this policy (“**CSR Policy**”).

Accordingly, the board of directors of Company (“**Board**”) adopted a CSR Policy (“**Policy**”) at its meeting held on **27th March, 2023**, which can be amended from time to time. The policy has been last amended on 21st September, 2019.

2. SCOPE OF CSR ACTIVITIES IN THE COMPANY

We catalogue only those projects that are over and above our normal course of business as CSR. This principle applies to all our CSR projects and it will be further reviewed and updated.

3. NORMAL COURSE OF BUSINESS

We are a publicly-owned hotel asset company that specialises in development, acquisition and ownership of branded hotels. Our assets are located in prime markets across India that have high barriers to entry and large un-accommodated demand.

4. CSR POLICY

Our initiatives are aimed towards the objective of ‘promoting education, including special education and employment enhancing vocational skills specially among children, women, elderly, and the differently abled and livelihood enhancement projects in the local area where the Company operates:

(a) Promoting education

We recognise that the Indian education system is facing multiple constraints and undergoing unprecedented transformation. Our initiative aims to tie up with non-government organisations (“**NGOs**”) that promote education or provide scholarships to the orphan children of weaker sections and help build a career for them.

(b) Vocational training from women

We place great emphasis on linking skills and thereby increasing employability and access. Our

goal is to support the cause of women empowerment and help in providing vocational skills to women so that they can become self-reliant.

(c) Special education for differently abled children

We also aim to undertake efforts to create more opportunities for the differently abled children in India through collaboration with NGO's or organisations that provide special education to blind school children, autistic children or children with mental disability.

The Policy shall be governed by the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force) ("Act").

5. GOVERNANCE STRUCTURE

(a) We have established a robust and transparent governance structure to oversee the execution of our CSR Policy, in compliance with the Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as follows:

(i) CSR & ESG Committee¹

At Company, our CSR governance structure will be headed by the CSR committee ("Committee") that will monitor and CSR Policy and projects undertaken under the CSR Policy. The Committee will report to our Board of Directors of the Company ("Board").

(ii) Members²

The Committee will contain 3 (Three) members of the Board out of which at least 1 (One) such member shall at times be an independent director. At present the Committee consists of the following members:

1. Mr. Krishan Dhawan, Independent Director (Chairperson);
2. Ms. Archana Capoor, Independent Director (Member); and
3. Mr. Michael David Holland, Independent Director (Member)

(iii) Responsibilities

- Formulate and update our CSR Policy, for approval by the Board;
- Recommend the CSR expenditure to the Board, for its approval;
- Approve projects that are in line with the CSR Policy;
- Set up monitoring mechanisms to track the progress of each such project;
- Arrange meetings to be held at least twice a year to review the progress made;

¹ The Board of Directors has changed the nomenclature of Corporate Social Responsibility Committee to Corporate Social Responsibility and Environmental, Social and Governance Committee ("CSR & ESG Committee"), in their meeting held on 21st March 2024

² The Board of Directors has reconstituted the CSR & ESG Committee of the Company in their meeting held on 02nd August 2024

- At the end of every financial year, submit its report to the Board, with a disclosure on the contents of the CSR Policy. The report of the Committee shall be displayed on the website of the Company.
- any other matter as the CSR Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time and/or as may be required under applicable law, as and when amended from time to time.

(iv) Teams

The CSR projects will be implemented with assistance from either:

- NGO's that have a track record of 3 (Three) years, verified by the Government of India; or
- Indian Institute of Corporate Affairs which will tie up with the NGO's to execute the projects and monitor the costs on our behalf.

All the personnel and teams implementing and assisting in the implementation of the CSR initiatives will report / give feedback to the Committee of all the activities undertaken.

(v) Responsibilities of the Board

The responsibilities of the Board concerning CSR are as follows:

- Approving CSR Policy of the Company;
- Disclosing the content of the policy in its report and placing the policy on the Company's website in the manner prescribed under section 135 of the Act;
- Ensuring that the CSR activities are related to the activities, areas or subjects included in Schedule VII of the Act;
- Ensuring that CSR projects included in the policy are undertaken by the Company;
- Ensuring that the Company spends, in every financial year, at least 2 percent of the average net profits made during the three immediately preceding financial years or such minimum budget as may be statutorily mandated under the law;
- Ensuring that reasons for not spending of earmarked amount are disclosed in the Board's report in case the Company fails to spend such amount; and
- Ensuring that the Company gives preference to the local areas around its operations for spending the amount earmarked for CSR projects.

6. CSR BUDGET

The total budget for the CSR projects will be decided by the Committee and approved by the Board. The Board shall ensure that the Company spends, in every financial year, at least 2% (Two percent) of the Company's average net profits made during the 3 (Three) immediately preceding financial years towards approved CSR activities. The budget will be project driven. The profits shall not include profit arising from any overseas branch or branches of the company, whether operated as a separate company or any dividend received from other companies in India.

The Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for CSR activities.

In any case, if in any year financial year, the Company fails to spend such amount on CSR, the Board will, in its report made under section 134(3)(o) of Companies Act, 2013, specify the reasons for not spending the amount and, unless the unspent amount relate to any ongoing project referred to in Section 134(6) of the Act, transfer such unspent amount to a fund specified in Schedule VII of the Act, within a period of six months of the expiry of the financial year.

7. TREATMENT OF SURPLUSES

Any amount remaining unspent, pursuant to any ongoing project, fulfilling such conditions as may be prescribed, undertaken by the Company in pursuance of the Policy, shall be transferred by the Company within a period of thirty days from the end of the financial year to a special account to be opened by the Company in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account, and such amount shall be spent by the Company in pursuance of its obligation towards the Corporate Social Responsibility Policy within a period of three financial years from the date of such transfer, 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.

The surplus arising from CSR projects, programs or activities shall not form part of the business profits of the Company and shall be disposed off in accordance with the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

8. REPORT

- (a) The report of the Committee submitted to the Board would indicate:
- (i) The contents of the CSR policy.
 - (ii) All the accomplishments made, since the last progress report, in terms of coverage compared to the target and reasons for variance.
 - (iii) The expenditure to-date compared to the budget and reasons for variance.
 - (iv) In the event any activities are undertaken through external trust / society / NGO's etc., the Committee shall set in place procedures for monthly reporting of progress on each such activities.

9. REPORTING MECHANISM

CSR Committee will obtain feedback from beneficiaries about the ongoing CSR programmes and report the same to the Board. Appropriate documentation of the Policy, annual CSR activities, executing partners, and expenditure entailed will be undertaken on a regular basis.

The composition of the CSR Committee, the CSR Policy and projects approved by the Board shall be disclosed on the website of the Company.

CSR initiatives of the Company will also be reported in the Annual Report of the Company containing particulars as specified in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

10. AMENDMENTS TO THE CSR POLICY

The Company may either through the Committee or its Board, amend this CSR Policy to meet the requirements of the statute and the business interest of the Company from time to time, subject to the approval of the Board. However, amendments in the Companies Act, 2013 that mandatorily apply to the Company shall be deemed to be incorporated in this this CSR Policy and shall be binding.