

HLV LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY ('CSR POLICY')

(Approved by the Board of Directors at its 285th meeting held on 12th February, 2024,
effective from 12th February, 2024)

1.0 PREAMBLE

Our CSR approach is inspired by a duty to our stakeholders to be a socially responsible partner with the highest integrity and ethics. We believe that our commitment towards socially sustainable practices generate real value for our shareholders, clients, employees, and society at large. We apply high environmental and social standards to our business to support a sustainable future. We seek to keep improving the environmental performance through the efficient use of resources and by applying world-class green practices across the board from hotel design and construction to procurement and operational policies.

The Company understands its responsibility to contribute to the communities of the area in which company has its operation and to create positive and lasting social impact by addressing various needs of the society through its CSR programs.

2.0 DEFINITIONS

In this Policy unless the context otherwise requires:

- 2.01 'Act' means Companies Act, 2013;
- 2.02 "Administrative overheads" means the expenses incurred by the company for 'general management and administration' of Corporate Social Responsibility functions in the company but shall not include the expenses directly incurred for the designing, implementation, monitoring, and evaluation of a particular Corporate Social Responsibility project or programme;
- 2.03 'Board' means Board of Directors of the Company;
- 2.04 'Company' means HLV Limited;
- 2.05 'Corporate Social Responsibility' ("CSR") means the activities undertaken by the Company in pursuance of its statutory obligations laid down in section 135 of the Act in accordance with the provisions contained in the Rules and Schedule VII of the Act;
- 2.06 'Net Profit' means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Act subject to adjustment as per Section 135 of the Act and Rules made thereunder;
- 2.07 "Ongoing Project" means a multi-year project undertaken by a Company in fulfilment of its CSR obligation having timelines not exceeding three years excluding the financial year in which it was commenced, and shall include such project that was initially not approved as a multi-year project but whose duration has been extended beyond one year by the board based on reasonable justification;
- 2.08 'Rules' means Companies (Corporate Social Responsibility Policy) Rules 2014 as amended from time to time;

Word and expressions used in this CSR Policy and not defined herein but defined in the Act shall have the meaning respectively assigned to them in the Act.

3.0 OBJECTIVES

The CSR Policy of the Company has been formulated and adopted in terms of Section 135 of the Act and the Rules made thereunder. The Company will undertake CSR activities specified in Schedule VII to the Act.

4.0 CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES (CSR ACTIVITIES)

The focus areas of the CSR activities shall activities/projects /programs as notified under Schedule VII to Section 135 of the Act read with Rules made thereunder as modified from time to time (**Annexure**), but shall not include the following, namely:

- (i) activities undertaken in pursuance of normal course of business of the company;
- (ii) any activity undertaken by the company outside India;
- (iii) contribution of any amount directly or indirectly to any political party;
- (iv) activities benefitting employees of the company;
- (v) activities supported by the companies on sponsorship basis for deriving marketing benefits for its products or services;
- (vi) activities carried out for fulfilment of any other statutory obligations under any law in force 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.

The following parameters should be observed while considering CSR activities of the Company:

- 1) Social impact
- 2) Environment protection
- 3) Visibility to the Company
- 4) Duration of the project / activity

The Board shall ensure that the activities as are included in this CSR Policy of the company are undertaken by the company.

However, if the Company ceases to be covered under sub-section (1) of Section 135 of the Act, then it shall not be required to, comply with the provisions laid down under sub-section (2) to (5) of the said section, till such time it meets the criteria specified in sub-section (1) of the Act. During this period the Company may opt to undertake CSR activities on voluntary basis.

5.0 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE ('CSR COMMITTEE') AND ITS TERMS OF REFERENCES:

The CSR Committee shall be consisting of three or more directors out of which at least one director shall be an independent director. The Chairman of the Committee may either be appointed by the Board or in case Board does not appoint Chairman, the members of the Committee shall select one of them to be the Chairman of the Committee.

The CSR Committee shall meet as often as its members deem necessary to perform the duties and responsibilities but not less than once in a year.

Role/Functions of the CSR Committee:

- To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII of the Act.
- To recommend the amount of expenditure to be incurred on the CSR activities.
- To monitor the CSR Policy of the company from time to time.
- To formulate and recommend to the Board, an annual action plan in pursuance of its CSR policy, which shall include the following, namely:
 - the list of CSR projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Act;
 - the manner of execution of such projects or programmes as specified in sub-rule (1) of rule 4;
 - the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - monitoring and reporting mechanism for the projects or programmes; and
 - details of need and impact assessment, if any, for the projects undertaken by the company:

Provided that 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.

- Such other activities as are incidental for implementing the CSR projects in line with the requirements of the Act.

6.0 CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE ('CSR EXPENDITURE')

The Board shall ensure that the company spends, in every financial year, at least two per cent. of the average net profits of the company (calculated as per section 135 of the Act and Rules) made during the three immediately preceding financial years in pursuance of this Policy. If the company fails to spend such amount, the Board shall, in its report specify the reasons for not spending the amount and, unless the unspent amount relates to any "ongoing project", transfer such unspent amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

Any amount remaining unspent, pursuant to any "ongoing project", undertaken by the company in pursuance of this Policy, shall be transferred within a period of thirty days from the end of the financial year to a special account to be opened in that behalf for that financial year in any scheduled bank to be called the Unspent Corporate Social Responsibility Account ('Unspent CSR Account'), and such amount shall be spent in pursuance of CSR obligations 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 Board shall ensure that the **administrative overheads shall not exceed five percent of total CSR expenditure** of the company for the financial year.

Any surplus arising out of the CSR activities shall not form part of the business profit 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 transfer such surplus amount to a Fund specified in Schedule VII, within a period of six months of the expiry of the financial year.

In case of excess CSR spend in any year, such excess amount may be set-off against the requirement to spend up to immediate succeeding 3 financial years subject to:

1. The excess amount available for set-off will not include surplus arising from CSR activities;
2. The Board to pass a resolution to that effect.

The CSR amount may be spent by the company for 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; or
- (b) beneficiaries of the said CSR project, in the form of self-help groups, collectives, entities; or
- (c) a public authority:

Transfer of unspent CSR Amount

Until a fund is specified in Schedule VII for the purposes of transfer of unspent CSR Amount under subsection (5) and (6) of section 135 of the Act, the unspent CSR amount, if any, shall be transferred by the company to any fund included in schedule VII of the Act.

7.0 CORPORATE SOCIAL RESPONSIBILITY IMPLEMENTATION ('CSR IMPLEMENTATION')

The Board shall ensure that the CSR activities are undertaken by the company itself or through,
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- (a) a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or registered under section 12A and approved under section 80G of the Income Tax Act, 1961 (43 of 1961), established by the company, either singly or along with any other company; or
- (b) 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
- (c) any entity established under an Act of Parliament or a State legislature to undertake activities covered in Schedule VII of the Act.
- (d) a company established under section 8 of the Act, or a registered public trust or a registered society, exempted under sub-clauses (iv), (v), (vi) or (via) of clause (23C) of section 10 or

registered under section 12A and approved under section 80G of the Income Tax Act, 1961, and having an established track record of at least three years in undertaking similar activities.

The Company may also collaborate with other companies for undertaking projects or programmes 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 programmes in accordance with the rules.

The Board 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.

In case of ongoing project, the Board 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.

Impact Assessment, If Required

If the CSR obligation of the Company is Rs. 10 crore or more as calculated on the basis of an average profits of the 3 immediately preceding financial years, then, pursuant to the applicable provisions of the Act and Rules made thereunder, the Company shall undertake impact assessment, through an independent agency.

8.0 DISCLOSURE

Disclosure in the Board's Report

- The Composition of the CSR Committee and the contents of CSR Policy shall be disclosed in the Board's report.
- An annual report on CSR activities in the format specified under the Act and the relevant rules thereunder and as amended from time to time shall form part of the Board's Report.

Disclosure on the website

The Board of Directors of the Company shall mandatorily disclose the composition of the CSR Committee, and CSR Policy and Projects approved by the Board on website, for public access.

9.0 AMENDMENTS TO THE POLICY

The Board of Directors on its own and/or as per the recommendations of the CSR Committee can amend this Policy, as and when required as deemed fit. Any or all provisions of the CSR Policy would be subject to revision/ amendment in accordance with the Regulations on the subject as may be issued from relevant statutory authorities, from time to time and Policy shall be deemed to have been modified upon change in regulations /provisions of the Act in case of inconsistencies.

SCHEDULE VII
(See [Section 135](#))

Activities which may be included by companies in their Corporate Social Responsibility Policies Activities relating to:

(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 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, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including 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 art and handicrafts;

(vi) measures for the benefit of armed forces veterans, war widows and their dependents, Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows;

(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 Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

(ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and

(b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council

of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

(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.

(xii) disaster management, including relief, rehabilitation and reconstruction activities.