

KAMAT HOTELS (INDIA) LIMITED

Regd. Office : 70-C, Nehru Road, Vile Parle (East), Mumbai -400 099.

CIN: L55101MH1986PLC039307, Tel. No. 022 26164000

Website: www.khil.com, Email: cs@khil.com

POLICY ON CORPORATE SOCIAL RESPONSIBILITY

I] Philosophy and vision:

Kamat Hotels (India) 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 Company has undertaken various eco friendly initiatives like maintaining gardens for beautification of Mumbai city, planting trees and initiating environmental awareness programs as well as measures for controlling air and noise pollution etc.

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. This policy has been formulated and recommended by the CSR Committee and adopted by the Board of Directors at its meeting held on 22nd March, 2014. The terms, rules and regulations mentioned in this policy are as per the Companies Act, 2013 and rules made thereunder. The Board may, upon recommendation of CSR Committee, amend or modify this CSR Policy as and when necessary.

This policy shall be effective from 1st April, 2014.

II] Definitions

- **Board** means Board of Directors of the Company.
- **Corporate Social Responsibility or CSR** means and includes but is not limited to:-
 - i) Projects or programs relating to activities specified in Schedule VII to the Companies Act, 2013; or

- ii) Projects or programs relating to activities undertaken by the Company in pursuance of the recommendations of the CSR Committee and approved by the Board as per this policy.
- **CSR Committee** means Corporate Social Responsibility Committee constituted by the Board pursuant to Section 135 of the Companies Act, 2013.
 - **Company** means Kamat Hotels (India) Limited.
 - **Net Profit** means the net profit of the Company as per its financial statement prepared in accordance with the applicable provisions of the Companies Act, 2013, but shall not include the following, namely:-
 - i) Any profit arising from any overseas branch or branches of the Company, whether operated as a separate Company or otherwise, and
 - ii) Any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Companies Act, 2013.

Words and expressions used in this policy and not defined herein but defined under the Companies Act, 2013 shall have the meanings respectively assigned to them therein.

III] Constitution, Composition and activities of Corporate Social Responsibility Committee:

- The CSR initiatives / activities of the Company will be identified and initiated by the CSR Committee comprising of 3(three) or more members out of which at least one director shall be an independent director.
- The members of the CSR Committee shall elect one of them as the Chairman of the Committee. 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.

IV] CSR 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.

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.
- Contribution of any amount directly or indirectly to any political party under Section 182 of the Companies Act, 2013, shall not be considered as CSR activity.
- 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] 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.
- The Company's CSR activities may focus on environmental sustainability and will give preference to the local area and areas around, where it operates, for spending the amount earmarked for CSR activities.
- The CSR activities shall be undertaken within India.
- The CSR projects or programs or activities that benefit only the employees of the Company and their families or activities undertaken in pursuance of normal course of

business of the Company shall not be considered as CSR activities in accordance with this policy or under Section 135 of the Companies Act, 2013.

VII] 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 on a regular basis.

VIII] 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 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.khil.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.

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