

TGB BANQUETS AND HOTELS LIMITED

CORPORATE SOCIAL RESPONSIBILITY POLICY

In accordance with the provisions of Section 135 of Companies Act, 2013, the Corporate Social Responsibility (CSR) Committee of TGB Banquets and Hotels Ltd (“the Company”) was constituted by the Board of Directors of the Company at their meeting held on 23rd May, 2014.

The composition of the said Committee comprises of three directors viz., Mr. Narendra G. Somani (Chairman) and Mr. Hemant Somani along with Mr. Balveermal Singhvi as the Independent Director.

1. OBJECTIVE

This Policy has been formulated in compliance with Section 135 of the Companies Act, 2013 read along with the applicable rules thereto.

2. CSR VISION

The Company’s vision is to be a responsible corporate citizen and to respects human values, inherently associated with Indian cultural and environmental and to adopt transparent and ethical behavioural practices which will contribute to the economic and sustainable development within the company, industry, and society at large.

At the Company, CSR has effectively evolved from being engaged in passive philanthropy to corporate community investments, which takes the form of a social partnership initiative creating value for stakeholders.

The Company’s CSR activities build an important bridge between business operations and social commitment evolving into an integral part of business functions, goals and strategy.

3. SCOPE

This Policy shall apply to all CSR projects/programmes/activities undertaken by the Company in India as per Schedule VII of the Act.

4. DEFINITIONS

1. **Corporate Social Responsibility (CSR)** means and includes but is not limited to:

Projects or programs relating to activities specified in Schedule VII to the Companies Act, 2013 (‘Act’).

2. **CSR Committee** means the Corporate Social Responsibility Committee of the Board referred to in Section 135 of the Act.
3. **CSR Policy** relates to the activities to be undertaken by the Company as specified in Schedule VII to the Act and the expenditure thereon.
4. **Net Profit** means the net profit of the Company as per its financial statement prepared in accordance with applicable provisions of the Act (Section 198), but shall not include the following viz;
 - a) Any profit arising from any overseas branch or branches of the Company, whether operated as a separate company or otherwise and
 - b) Any dividend received from other companies in India, which are covered under and complying with the provisions of Section 135 of the Act

Provided that net profit in respect of a financial year for which the relevant financial statements were prepared in accordance with the provisions of the Companies Act, 1956 shall not be required to be re-calculated in accordance with the provisions of the Act.

5. ROLE OF THE CSR COMMITTEE

- a. Formulate and recommend to the Board, a Corporate Social Responsibility Policy in compliance with Section 135 of the Companies Act, 2013.
- b. Identify the activities to be undertaken as per Schedule VII of the Companies Act, 2013.
- c. Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.
- d. Recommend the amount of CSR expenditure to be incurred on the earmarked CSR activities.
- e. Monitor the implementation of the CSR Policy from time to time.
- f. Such other functions as the Board may deem fit.

6. ROLE OF THE BOARD

- a. After taking into account the recommendations made by the CSR Committee, approve the CSR Policy for the Company.

- b. Ensure that the CSR activities included in this Corporate Social Responsibility Policy are undertaken by the Company.
- c. The Board of the Company may decide to undertake its CSR activities approved by the CSR Committee, through a registered trust or a registered society or a Company established under section 8 of the Act by the company, either singly or along with its holding or subsidiary or associate company, or along with any other company or holding or subsidiary or associate company of such other company, or otherwise provided that – If such trust, society or company is not established by the company, either singly or along with its holding or subsidiary or associate company, or along with any other company or holding or subsidiary or associate company of such other company, it shall have an established track record of three years in undertaking similar programs or projects/activities.
- d. 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, calculated in accordance with Section 198 of the Act, in pursuance of its CSR policy. Further, while spending the amount earmarked for CSR activities, preference should be given to local areas and areas around the Company where it operates.
- e. As per Section 135 of the Act, specify the reasons for under spending the CSR amount in the Board's Report.

7. CSR ACTIVITIES FOR IMPLEMENTATION

The CSR Activities would be chosen for implementation by the Company in compliance with the provisions of Section 135 read together with Schedule VII of the Companies Act, 2013.

8. CSR MONITORING AND REPORTING FRAMEWORK

In compliance with the Act and to ensure funds spent on CSR Activities are creating the desired impact on the ground a comprehensive Monitoring and Reporting framework has been put in place.

The CSR Committee shall monitor the implementation of the CSR Policy through periodic reviews of the CSR activities.

The respective CSR personnel will present their annual budgets alongwith 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.

9. CSR EXPENDITURE

The CSR activities undertaken in India only shall amount to 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 in line with activities which fall within the purview of Schedule VII of the Act.

10. DISCLOSURE OF THE POLICY

The CSR policy recommended by the CSR Committee and approved by the Board shall be displayed on the Company's website and shall be disclosed in the Board's report as well.

11. CSR REPORTING

The Board Report of a Company shall include an Annual Report on CSR containing particulars specified in Annexure to the CSR Rules as per the prescribed format.

12. FREQUENCY OF MEETINGS

The meetings of the Committee could be held at such periodic intervals as may be required.

13. QUORUM

Minimum two (2) members shall constitute a quorum for the Committee meeting.

14. CHAIRMAN

In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.

15. SECRETARY

The Company Secretary of the Company shall act as Secretary of the Committee.

16. MINUTES OF THE COMMITTEE MEETING

Proceedings of all meetings must be minuted and signed by the Chairman of the Committee and tabled at the subsequent Board and Committee meeting.

17. MISCELLEANOUS

This policy shall be updated from time to time, by the Company in accordance with the amendments, if any, to the Companies Act, 2013, rules made thereunder or any other applicable enactment for the time being in force.