

KAMAT HOTELS (INDIA) LIMITED

CIN: L55101MH1986PLC039307

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

Tel. No. 022 26164000 | Website: www.khil.com | Email: cs@khil.com

RISK MANAGEMENT POLICY

Introduction:

Kamat Hotels (India) Limited (the “Company”) considers ongoing Risk Management to be a core component of the management of the Company. By “Risk Management” we understand the identification, assessment and prioritization of risks followed by coordinated and economical application of resources to minimize, monitor and control the probability and/or the impact of unfortunate events. Risks can come from the uncertainty in financial markets, market conditions, threats from project failures (at any phase in design, development and operations), legal liabilities, credit risks, accidents, natural causes and disasters as well as deliberate attack from an adversary or events of uncertain or unpredictable root cause.

The Company recognizes that risk is an integral and unavoidable component of business and cannot be totally eliminated. However, the Company is committed to managing the risks in a proactive and effective manner so as to minimize any adverse fall outs threatening the existence of the Company.

This Policy is formulated in compliance with Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“SEBI Listing Regulations”) and the applicable provisions of the Companies Act, 2013 (“Act”), which requires the Company to lay down procedures for risk assessment and risk minimization.

Risk Management Program:

The Company’s Risk Management Program comprises of series of processes, structures and guidelines which assist the Company to identify, assess, monitor and manage its Business Risk including any material changes in its Risk profile.

To achieve this the Company has clearly defined the responsibility and authority of the Board of Directors of the Company, to oversee and manage the Risk Management Program, while conferring responsibility and authority on the Company’s Senior Management to develop and maintain the Risk Management Program, considering the day to day need of the Company. Regular communications and review of Risk Management practice provides the Company with important checks and balances to ensure the efficacy of its Risk Management Program.

Key Elements of Company’s Risk Management Program:

● **Risk Identification:**

In order to identify and assess business risks, the Company defines risks and create risk profiles in light of its business planes and strategies. This involves providing an overview of each material risk, making an assessment of risk level and preparing action plans to address and manage risk.

The Company’s focus is on following risks which are considered as material risks:

- Strategic Business Risk
- Operational Risk
- Quality Risk
- Competition Risk
- Technological Risk
- Foreign Exchange Risk
- Realization Risk
- Cost Risk
- Financial Risk
- Human Resource Risk
- Legal/Regulatory Risk

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- **Risk Management and Risk Monitoring:**

The Board is responsible for reviewing and ratifying the Risk Management structure, processes and guidelines which are developed and maintained by the Senior Management. The Management may also refer particular issues to the Board for final consideration and direction.

- **Senior Management:**

The Company's Senior Management is responsible for designing and implementing Risk Management and internal control systems which identify material risks for the Company and aim to provide the Company with warnings of risks before they escalate. Senior Management must implement the action plans developed to address the material business risks across the Company and individual business units.

Senior Management should regularly monitor and evaluate the effectiveness of the action plans and the performances of employees in implementing the action plans, as appropriate. In addition, Senior Management would promote and monitor the culture of risk management within the Company and in compliance with the internal risk control systems and processes by employees. Senior Management should report regularly to the Committee or Board regarding the status or effectiveness of the Risk Management Program.

- **Employees:**

All the Employees of the Company are responsible for implementing, managing and monitoring action plans with respect to material business risk as appropriate.

- **Review of Risk Management Program:**

The Board shall regularly evaluate the effectiveness of Company's Risk Management Program to ensure that its internal control systems and processes are monitored and updated on an ongoing basis.

- **Risk Management Systems:**

An independent Internal Audit Function carries out risk focused audits across all units, enabling identification of areas where Risk Management processes may need to be improved. The Board reviews internal audit findings and provide strategic guidance on internal controls.

The combination of policies and procedures as outlined above adequately addresses the various risks associated with the Company. The Senior Management of the Company periodically reviews the Risk Management Framework to maintain its contemporariness so as to effectively address the emerging challenges in the dynamic business environment.

Amendment:

This Policy is subject to review from time to time, by the Board of Directors of the Company. Any subsequent modification/amendment in the Companies Act, 2013, or the Rules framed thereunder or the SEBI Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy.

Communication of this Policy:

The Policy shall be posted on the website of the Company at www.khil.com
