

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

TITLE:

This Policy shall be called the 'Policy for determining Material Subsidiaries'.

OBJECTIVE:

This Policy is framed in accordance with the requirements of Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for the purpose of determination of Material Subsidiaries and to provide the governance framework for such subsidiaries.

DEFINITIONS:

- a. "Act" means the Companies Act, 2013 and the rules made thereunder (including any statutory modification/re-enactment thereof for the time being in force).
- b. "Board" means the Board of Directors of The Indian Hotels Company Limited.
- c. "Company" means The Indian Hotels Company Limited.
- d. "Control" shall have the same meaning as assigned to it under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 i.e. shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholder agreements or voting agreements or in any other manner, Provided that a director or officer of a target company shall not be considered to be in control over such target company, merely by virtue of holding such position.
- e. "Policy" means this Policy, as amended from time to time.
- f. "Material Subsidiary" shall mean a subsidiary, whose turnover or net worth exceeds ten percent of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year
- g. "Independent Director" implies a director other than a managing director or a whole-time director or a nominee director and who satisfies other criteria for independence mentioned in the Companies Act, 2013 and the Listing Regulations
- h. "Significant Transaction or Arrangement" shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding accounting year.

- i. “Subsidiary” means a subsidiary as defined under Sub-section (87) of Section 2 of the Companies Act, 2013

Any words used in this Policy but not defined herein shall have the same meaning ascribed to it in the Act or Rules made thereunder, the Listing Regulations or any other relevant legislation / law applicable to the Company.

COMPLIANCES:

a. **Independent Director on the Board of an Unlisted Material Subsidiary**

At least one Independent Director on the Board of the Company shall be a Director on the Board of Directors of its unlisted material subsidiary, incorporated whether incorporated in India or not. For the purpose of this provision, Material Subsidiary means a subsidiary, whose turnover or net worth exceeds twenty percent of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

b. **Restrictions on disposal of shares of material subsidiary**

The Company shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than **or equal to** fifty percent or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognised stock exchanges within one day of the resolution plan being approved.

c. **Restriction on disposal of its assets of material subsidiary**

Selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders by way of special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognised stock exchanges within one day of the resolution plan being approved.

d. **Secretarial audit by the Material Unlisted Subsidiaries incorporated in India**

The Company and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its Annual Report, a secretarial audit report, given by a company secretary in practice, in Form No. MR-3 as specified under the Act with effect from the year ended March 31, 2019.

e. Other Compliances with regards to Unlisted Subsidiaries, whether Material or not

- The minutes of the Board meetings of the unlisted subsidiary companies shall be placed at the Board meeting of the Company.
- The Audit Committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary companies.
- The management of the unlisted subsidiary should periodically bring to the notice of the Board of the Company, a statement of all “significant transactions and arrangements” entered into by the unlisted subsidiary company.
- Where the Company has a listed subsidiary, which is itself a holding company, the provisions of this Regulation shall apply to the listed subsidiary in so far as its subsidiaries are concerned.
- Such other compliances as may be stipulated under the Listing Regulations from time to time.

DISCLOSURES

This Policy shall be disclosed on the Company’s website and a web link thereto shall be provided in the Annual Report

AMENDMENTS:

The Board shall have the power to amend any of the provisions of this Policy except in in case of any regulatory amendments where the Policy shall stand amended automatically by operation of law in line with and to the extent of such amendment. In the event of any conflict between the provisions of this Policy and the Listing Regulations or the Act or any other relevant legislation/ regulation applicable to the Company, the provisions of the Listing Regulations or the Act or such other relevant law / regulation shall prevail over this Policy.

Amended by the Board on: April 30, 2019,

Amended on December 13, pursuant to change in the LODR Amendments