

## 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](http://www.khil.com), Email: cs@khil.com

---

### **POLICY FOR DETERMINING MATERIAL SUBSIDIARY OF THE COMPANY**

#### **Introduction:**

In view of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) notified by SEBI on 2<sup>nd</sup> September, 2015, this policy is devised to determine which of the subsidiary Companies will fall under the category of ‘material’ subsidiary of the Company and accordingly compliance of Listing Regulations applicable to a material subsidiary Company will be made.

#### **Definition:**

Material Subsidiary:

“Material Subsidiary” means a subsidiary of the Company, whose income or net worth exceeds 20% of consolidated income or net worth respectively, of the Company and its Subsidiaries in the immediately preceding accounting year.

#### **Compliance for ‘material’ subsidiary:**

- 1) Atleast one independent Director on the Board of Directors of the Listed entity shall be a Director on the Board of Directors of an unlisted material subsidiary, incorporated in India.
- 2) The Company shall **not dispose of shares in its material subsidiary** which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% 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.**
- 2) The selling, disposing and leasing of assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a Financial Year shall require prior approval of shareholders of the Company by way of special resolution unless **where such divestment is made under a scheme of arrangement duly approved by a Court / Tribunal.**
- 3) This policy is approved by the Board of Directors of the Company at its meeting held on 7th November, 2015.