

SAMHI HOTELS LIMITED

POLICY ON MATERIAL SUBSIDIARIES

1. TITLE

This policy shall be called the 'Policy for Determining Material Subsidiaries' ("**Policy**").

2. 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 ("**LODR Regulations**") for the purpose of determination of material subsidiaries and their governance. The Company is required to disclose the Policy on its website and a web link thereto shall also be provided in its annual report. The Company has framed this Policy to comply with the aforesaid requirements which has been approved by the Board on **27th March, 2023**.

3. DEFINITIONS

- (a) "**Board**" means the board of directors of SAMHI Hotels Limited.
- (b) "**Company**" means SAMHI Hotels Limited.
- (c) "**IBC**" means the Insolvency and Bankruptcy Code, 2016.
- (d) "**Policy**" means this Policy for Deterring Material Subsidiaries, as amended from time to time.
- (e) "**Significant Transaction or Arrangement**" shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% (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.
- (f) Any word used in this Policy but not defined herein shall have the meaning ascribed to it in the Companies Act, 2013 or rules made thereunder, the LODR Regulations or any other relevant legislation / law applicable to the Company.

4. POLICY

- (a) A material subsidiary as per regulation 16(1)(c) of the LODR Regulations shall mean a subsidiary, whose income or net worth exceeds 10% (Ten percent) of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year ("**Material Subsidiary**").
- (b) At least 1 (One) independent director who is on the Board of the Company shall be a director on the board of directors of an unlisted Material Subsidiary of the Company, incorporated in India.
(For the purpose of this provision, notwithstanding anything to the contrary contained in Regulation 16 of the LODR Regulations, the terms 'material subsidiary' shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth

respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.)

- (c) The Company, along with its unlisted Material Subsidiaries incorporated in India shall undertake a secretarial audit and annex with its annual report, a secretarial audit report, given by a company secretary in practice.
- (d) 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 50% (Fifty percent) or cease the exercise of control over the said 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 IBC and such an event is disclosed to the recognized stock exchanges within 1 (One) day of the resolution plan being approved.
- (e) Selling, disposing and leasing of assets amounting to more than 20% (Twenty percent) 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 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 IBC and such an event is disclosed to the recognized stock exchanges within 1 (One) day of the resolution plan being approved.
- (f) Requirements regarding unlisted subsidiary companies:
 - (i) The audit committee of the Company shall also review the financial statements, in particular, the investments made by an unlisted subsidiary of the Company;
 - (ii) The minutes of the meetings of the board of directors of an unlisted subsidiary of the Company shall be placed at the meeting of the Board of the Company; and
 - (iii) The management of the unlisted subsidiary of the Company should periodically bring to the notice of the Board, a statement of all Significant Transactions and Arrangements entered into by the unlisted subsidiary.

5. **AMENDMENTS**

The Board shall have the power to amend any of the provisions of this Policy except in case of any regulatory amendments wherein the Policy shall stand amended automatically by operation of law in line with and to the extent such amendment mandatorily applies to the Company.