



SAYAJI HOTELS (PUNE) LIMITED

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Material Subsidiary Policy

(Approved by the Board on 11th August, 2023)

**Altered by the board on 14th January, 2025*

MATERIAL SUBSIDIARY POLICY

1. OBJECTIVE:

Sayaji Hotels (Pune) Limited (“**Company**”) is governed, amongst others, by the rules and regulations framed by Securities Exchange Board of India (“**SEBI**”). SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“**LODR Regulations**”) lays out regulatory requirements for material subsidiary companies.

The objective of this policy is to determine the material subsidiaries of the Company and to provide the governance framework for such subsidiaries.

The Company has adopted the policy and procedures for determining ‘material’ subsidiary companies (“**Policy**”) in accordance with the provisions of Regulation 16(1)(c) of the LODR Regulations.

The Audit Committee will review the policy periodically and may amend the same from time to time, as may be deemed necessary.

2. DEFINITIONS:

“**Act**” means the Companies Act, 2013.

“**Audit Committee**” means the committee constituted by the Board of Directors of the Company in accordance with section 177 of the Act and Regulation 18 of the LODR Regulations.

“**Board of Directors**” or “**Board**” means the Board of Directors of Sayaji Hotels (Pune) Limited, as constituted from time to time.

“**Independent Director**” means a director of the Company, not being in whole time employment and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies the criteria for independence as prescribed under Section 149 of the Act and Regulation-16(1)(b) of LODR Regulations.

“**Material Subsidiary**” - shall mean a subsidiary, whose “turnover or net worth” exceeds [ten] percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

“**Material Indian Subsidiary**” mean a material subsidiary which is incorporated in India.

“**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.

“**Subsidiary**” shall mean a subsidiary as defined under the Act and rules made thereunder.

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“Unlisted Subsidiary” means subsidiary whose securities are not listed on any recognized Stock Exchanges.

All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the LODR Regulations and in the absence of its definition or explanation therein, as per the Act and the Rules, Notifications and Circulars made/issued thereunder, as amended, from time to time.

3. POLICY:

- At least 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, whether incorporated in India or not. Here, limit for calculation of material subsidiary is 20% rather than 10%.
- The audit committee of the listed entity shall also review the financial statements, in particular, the investments made by the unlisted subsidiary.
- The minutes of the meetings of the board of directors of the unlisted subsidiary shall be placed at the meeting of the board of the Company.
- The management of the unlisted subsidiary shall periodically bring to the notice of the board of the Company, statement of all significant transactions and arrangements entered into by it.
- The management shall present to the Audit Committee annually, the list of such subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board including recommendation for appointment of Independent Director in the Material Non-Listed Indian Subsidiary.
- The Company, without the prior approval of the members by special resolution or a resolution with majority as may be prescribed under Regulation - 24(5) of the LODR Regulation, shall not:
 - a. Dispose shares in its material subsidiary that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50%; or
 - b. Ceases the exercise of control over the material subsidiary; or
 - c. Sell, dispose of or lease the assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during an accounting year except sale/disposal/lease 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.
- Every 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 such form as may be specified by the SEBI.

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4. LIMITATION AND AMENDMENT:

In the event of any conflict between the provisions of this Policy and of the Act or LODR Regulations or any other statutory enactments, rules, the provisions of such Act or LODR Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the LODR Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.

The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy and further the objective of good corporate governance.
