



SAYAJI HOTELS (PUNE) LIMITED

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Material Subsidiary Policy

1. OBJECTIVE:

Sayaji Hotels (Pune) Limited (“**Sayaji**” or “**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.

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 turnover 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

“**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 Company shall be a director on the board of directors of an unlisted material subsidiary, whether incorporated in India or not. Here, the limit for calculation of material subsidiary is twenty percent rather than ten percent.
- The audit committee of the Company 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 or equal to 50%; or
 - b. Ceases 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 recognized stock exchanges within one day of the resolution plan being approved; or
 - c. 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 recognized stock exchanges within one day of the resolution plan being approved.

Nothing contained in this sub-regulation shall be applicable if such sale, disposal or lease of assets is between two-wholly owned subsidiaries of the Company.

- d. Where a listed entity 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.
- Every material unlisted Every material unlisted subsidiary incorporated in India shall undertake Secretarial Audit in accordance with Regulation 24A of SEBI (LODR) Regulations, 2015 and the applicable provisions of the Companies Act, 2013. The Secretarial Auditor shall be a Peer Reviewed Company Secretary in Practice or a Peer Reviewed Firm of Company Secretaries, as may be permitted under applicable law from time to time.

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.

The Board of Directors of the Company shall review the policy periodically and may amend the same from time to time, as may be deemed necessary.

** This Policy was approved by the Board of Directors at its meeting held on August 11, 2023 and was last reviewed and amended on May 28, 2026.*