

KAMAT HOTELS (INDIA) LIMITED

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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 2nd 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.