

APEEJAY SURRENDRA PARK HOTELS LIMITED (ASPHL)

POLICY ON MATERIAL SUBSIDIARIES

1. Introduction

The Board of Directors (the "Board") of ASPHL (the "Company") has adopted the following policy and procedures with regard to determination of Material Subsidiaries.

The Board, on the recommendation of the Audit & Risk Management Committee, may review and amend this Policy from time to time.

2. Policy Objective

To determine and report thereon the Material Subsidiaries of the Company in accordance with relevant clauses of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (as amended) ("Listing Regulations").

3. Definitions

"Act" means the Companies Act, 2013 including any amendment or modification thereof.

"Audit & Risk Management Committee" or "Committee" means "Audit & Risk Management Committee" constituted by the Board of Directors of the Company, from time to time, under the provisions of the Listing Regulations and the Companies Act, 2013.

"Board of Directors" or "Board" means the Board of Directors of the Company.

"Company" means ASPHL.

"Independent Director" means a director of the Company, not being a whole-time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies the criteria for independence laid down under Section 149 (6) of the Companies Act, 2013 and regulation 16(1)(b) of the Listing Regulations.

"Policy" means Policy on Material Subsidiaries.

"Material Non-listed Indian Subsidiary" means a material subsidiary which is incorporated in India and is not listed on the Indian Stock Exchanges.

"Material Non-listed foreign subsidiary" means a material subsidiary which is not incorporated in India.

"Significant Transaction or Arrangement" means any individual transaction or arrangement that exceeds or is likely to exceed 10% 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 Company" or "Subsidiary" means a Company as defined under the Companies Act, 2013 and the Rules made thereunder.

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 & Risk Management 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. Amendment to the Policy

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.