

# HOTEL POLO TOWERS LIMITED

## POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

### 1. INTRODUCTION

Hotel Polo Towers Limited (“**Company**”) is governed, amongst others, by the rules and regulations framed by the Securities Exchange Board of India (“**SEBI**”). Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“**Listing Regulations**”) lays down requirements in relation to material subsidiary companies.

The Board of Directors (“**Board**”) of the Company has adopted this **Policy for Determining Material Subsidiaries** (“**Policy**”) in its Board Meeting dated 18<sup>th</sup> September, 2025 to provide a clear framework in line with the Listing Regulations

The Policy shall be effective from the date of listing of the equity shares of the Company on one or more recognized stock exchanges. The Board or the Audit Committee shall review and amend this Policy from time to time, as may be necessary.

### 2. OBJECTIVES

The objective of the Policy is to :

1. Determine the material subsidiaries of the Company in line with the Listing Regulations and
2. Ensure a strong corporate governance framework for such material subsidiaries.

The Policy has been framed in pursuant to Regulation 16(1)(c) of the Listing Regulations.

### 3. DEFINITIONS

For the purpose of this Policy:

“**Act**” means the Companies Act, 2013, and all rules, regulations, notifications and circulars made/ issued thereunder, as amended, from time to time.

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

“**Company**” shall mean Hotel Polo Towers Limited

“**Control**” shall have the same meaning ascribed to such term under the Act and the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.

**“Independent Director”** shall mean an Independent Director as defined in clause (47) of section 2 and clause (6) of section 149 read with Schedule IV of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

**“Insolvency Code”** shall mean Insolvency and Bankruptcy Code, 2016.

**“Listing Regulations”** means SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any amendments, modifications, circulars or notifications made thereunder.

**“Material Subsidiary”** shall mean a subsidiary, whose income or net worth exceeds 10% (ten percent) of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

**“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.

**“Subsidiary”** shall have the same meaning ascribed to such term under the Act and the Listing Regulations.

**“Unlisted Subsidiary”** shall mean a Subsidiary of the Company whose shares are not listed on any recognized stock exchange in India.

Any other term not defined herein shall have the same meaning as defined in the Act, Listing Regulations, Securities Contracts (Regulation) Act, 1956 or any other applicable law.

#### **4. APPLICABILITY:**

A subsidiary shall be considered as **material** if –

1. Its 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.
2. A list of such material subsidiaries shall be presented to the Audit Committee annually for its review and noting.

#### **5. REQUIREMENT REGARDING MATERIAL SUBSIDIARY**

The Company shall not, without prior approval of shareholders by way of passing a special resolution in its General Meeting:

1. 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 or equal to 50% (fifty percent) or cease the exercise of control over the subsidiary 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 and Bankruptcy Code, 2016 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

2. Sell, dispose and lease assets amounting to more than 30% (twenty percent) of the assets of the material subsidiary on an aggregate basis during a financial year, 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 and Bankruptcy Code, 2016 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

## **6. ADDITIONAL REQUIREMENT FOR MATERIAL NON-LISTED SUBSIDIARY**

At least one Independent Director of the Company shall be a director on the board of an unlisted material subsidiary company whether incorporated in India or not.

For the purposes of this requirement, “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds 20% (twenty percent) of the consolidated income or net worth, respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

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 unlisted Subsidiary.

## **7. REQUIREMENTS REGARDING UNLISTED SUBSIDIARY COMPANY**

The Audit Committee shall review the financial statements of all unlisted subsidiaries, in particular, investments made

The minutes of the board meetings of the Unlisted Subsidiary shall be placed at the Board meeting of the Company.

The Board shall be periodically presented with a statement of all **Significant Transactions or Arrangements** entered into by the unlisted subsidiary.

## **8. SECRETARIAL AUDIT**

Every unlisted material subsidiary incorporated in India shall undertake secretarial audit and annex a secretarial audit report, given by a company secretary in practice in the prescribed form, in its Annual Report.

## **9. COMPLIANCE OFFICER**

Compliance of this Policy shall be the responsibility of the Chief Financial Officer of the Company who shall have the power to ask for any information or clarifications from the management in this regard.

## **10. REPORTING & DISCLOSURE**

The Policy shall be disclosed on the Company's website. A web link to the Policy shall be provided in the Board's Report of the Company, along with other prescribed disclosures under applicable law.

## **11. AMENDMENTS**

The Board may, based on the recommendations of the Audit Committee and subject to applicable law amend, substitute, or replace any provision of this Policy.

Any amendments, modifications, or waivers to this Policy:

1. Shall be approved by the Board of Directors through a resolution.
2. Details of amendments, along with the amended policy shall be published on the Company's website promptly.

The Board may also prescribe additional rules and procedures To ensure effective governance of material subsidiaries.

## **12. DISCLAIMER**

In case of any inconsistency between this Policy and applicable laws, including the Act or the Listing Regulations, the provisions of the applicable law shall prevail.

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