

Chalet Hotels Limited

(Formerly known as Chalet Hotels Private Limited)

Regd. Off. : Raheja Tower, Plot No.C-30, Block 'G', Next to Bank of Baroda, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.

Website: www.chalethotels.com Email: companysecretary@chalethotels.com Phone: +91-22-2656 4000 Fax: +91-22-2656 5451
CIN: L55101MH1986PLC038538

POLICY FOR DETERMINATION OF MATERIAL SUBSIDIARIES

OBJECTIVE:

This Policy is framed in accordance with the requirements of Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") for the purpose of determination of Material Subsidiaries and their governance.

DEFINITIONS:

- a. "Board" means the Board of Directors of the Company
- b. "Company" means Chalet Hotels Limited
- c. "Control" shall have the same meaning as assigned to it under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- d. "Independent Director" means a Director of the Company not being a Whole time Director and who is neither a Promoter nor belongs to Promoter Group of the Company and who satisfied other criteria of independence under the Companies Act, 2013 and the Listing Regulations.
- e. "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.
- f. "Policy" means Policy on Material Subsidiaries.
- g. "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.
- h. "Subsidiary" means a subsidiary as defined under Sub-section (87) of Section 2 of the Companies Act, 2013

Any words used in this Policy but not defined herein shall have the same meaning ascribed to it in the Companies Act, 2013 or Rules made thereunder, the Listing Regulations or any other relevant legislation / law applicable to the Company.

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COMPLIANCES:

- a. At least one Independent Director on the Board of Directors of the Company shall be a Director on the Board of Directors of its unlisted material subsidiary, incorporated in India or not.

Explanation -For the purposes of this provision, notwithstanding anything to the contrary contained in regulation 16, the term “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.]

- b. The Audit Committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary company.
- c. The minutes of the meetings of the Board of Directors of the unlisted subsidiary company shall be placed at the Board meeting of the Company.
- d. The management of the unlisted subsidiary should periodically bring to the notice of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.
- e. The Company, without the prior approval of the Members by a Special Resolution, shall not:
- i) dispose of its shares in its material subsidiary/ies resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than or equal to fifty percent or ceases the exercise of control over the subsidiary/ies 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.
 - ii) sell, dispose and lease the assets amounting to more than twenty percent of the assets of the material subsidiary/ies 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 Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.
 - iii) Where the Company has a listed subsidiary, which itself is a holding company, the provisions of this Regulation shall apply to the listed subsidiary in so far as its subsidiaries are concerned.
- f. Such other compliances as may be stipulated under the Listing Regulations from time to time.

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AMENDMENTS:

The Board or the Committee of the Board shall have the power to amend any of the provisions of this Policy except in in case of any regulatory amendments where the Policy shall stand amended automatically by operation of law in line with and to the extent of such amendment.
