



## **POLICY FOR DETERMINING MATERIAL SUBSIDIARIES**

(As modified and effective from April 1, 2019)

### **1. INTRODUCTION**

The Board of Directors (the "Board") of Mahindra Holidays & Resorts India Limited ('MHRIL' or the 'Company') has adopted this policy and procedures with regard to determination of material subsidiaries, in line with the requirements of the Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations").

### **2. OBJECTIVE**

The Objective of this policy is to determine 'material' subsidiaries of the Company and to provide governance framework for such material subsidiaries.

This policy is framed as per requirements of the Regulation 16(1)(c) of the SEBI Regulations, as may be amended from time to time.

### **3. DEFINITIONS**

- (i) "Board of Directors" or the "Board" means the Board of Directors of Mahindra Holidays & Resorts India Limited, as constituted from time to time.
- (ii) "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 other criteria for independence under the Companies Act, 2013 and the SEBI Regulations.
- (iii) "Subsidiary" shall be as defined under the Companies Act, 2013 and the Rules made thereunder.

All other words and expressions used but not defined in this policy, but defined in the SEBI Regulations, SEBI Act, 1992, the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or reenactment thereto, as the case may be.

### **4. POLICY**

A subsidiary shall be considered as **Material** if the income or net worth of that subsidiary exceeds ten percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

A list of such Material subsidiaries shall be presented to the Audit Committee annually for its noting.

Mahindra Holidays & Resorts India Limited

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## 5. REQUIREMENTS REGARDING MATERIAL SUBSIDIARY

The Company, without passing a Special Resolution in its General Meeting, shall not:

- (i) dispose shares in the Material subsidiary that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50%; or
- (ii) dispose shares in the Material subsidiary that cease the exercise of control over the Subsidiary; or
- (iii) sell, dispose or lease the assets amounting to more than 20% of the assets of the Material subsidiary on an aggregate basis during a financial year,

except in cases where such divestment/sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

## 6. REQUIREMENTS REGARDING UNLISTED MATERIAL SUBSIDIARY

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

For the purposes of this provision, notwithstanding anything to the contrary contained in Clause 4, 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 Company and its subsidiaries in the immediately preceding accounting year.

- b) The Material unlisted subsidiaries incorporated in India shall undertake Secretarial Audit and shall annex with its annual report, a Secretarial Audit Report given by a company secretary in practice, in such form as may be specified with effect from the year ended March 31, 2019.

## 7. AMENDMENTS

The Board may, subject to applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy. The Board may also establish further rules and procedures, from time to time, to give effect to this Policy and to ensure governance of material subsidiary companies.

## 8. SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the SEBI Regulations / Companies Act, 2013 or any other statutory enactments, rules, the provisions of such SEBI Regulations / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.



## 9. DISSEMINATION OF POLICY

This policy shall be hosted on the intra-net and Company's website at [www.clubmahindra.com](http://www.clubmahindra.com) and a web link thereto shall be provided in the Annual Report of the Company.

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