

**ASIAN HOTELS (WEST) LIMITED**  
**POLICY FOR DETERMINING MATERIAL SUBSIDIARY**

**1. Preamble and Objective:**

The policy is framed by the Company as per the requirement of the Security and Exchange Board of India (Listing Obligations and Disclosures Requirements), Regulations, 2015 (Listing Obligations) to ensure compliance with the applicable provisions of the Listing Obligations.

The objective of the Policy is to determine the Material Subsidiaries of **Asian Hotels (West) Limited** and to provide the governance framework for such subsidiaries.

**2. Definitions:**

- (i) **“Act”** means Companies Act, 2013 including any statutory modification or re-enactment thereof.
- (ii) **“AHWL”** means **Asian Hotels (West) Limited**
- (iii) **“Audit Committee”** means a Committee constituted by the Board of Directors of the Company in accordance with provision of Listing Obligations and Companies Act, 2013.
- (iv) **“Board of Directors”** or **“Board”** means the Board of Directors of **Asian Hotels (West) Limited**, as constituted from time to time.
- (v) **“Company”** means a company incorporated under the Companies Act, 2013 or any other previous company law.
- (vi) **“Holding Company”** as defined under clause 2(46) of the Companies Act 2013.
- (vii) **“Independent Director”** means a director of the Company, not being in whole time employment and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies the criteria for independence as prescribed under Section 149 of the Companies Act, 2013 and the Listing Obligations with the stock exchanges.
- (viii) **“Material Subsidiary”** material subsidiary” shall mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.
- (ix) **“Policy”** means Policy on Material Subsidiary.
- (x) **“Significant Transaction or Arrangement”** shall mean 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 material unlisted subsidiary for immediately preceding accounting year.
- (xi) **“Subsidiary Company”** as defined under clause 2(87) of the Act.

**3. Policy:**

This Policy lays down the basis of determining material subsidiaries of AHWL and related issues as specified in the provisions of Regulations 16 of the Listing Obligations with the Stock Exchanges.

A Subsidiary shall be considered as '**Material Subsidiary**' if the investment of AHWL in the subsidiary exceeds twenty per cent of its consolidated net worth as per the audited Balance Sheet of the previous financial year or if the Subsidiary has generated 20% of the consolidated income of AHWL during the previous financial year.

On the basis of the above, AHWL shall determine 'material subsidiary'.

#### **4. Implementation & Approval Process**

I. One Independent Director of the AHWL shall be a director on the Board of the unlisted Material Subsidiary Company, incorporated in India.

II. The management shall on a quarterly basis bring to the attention of the Board of Directors of the AHWL, a statement of all Significant Transactions and Arrangements entered into by the unlisted Subsidiary.

III. 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 Non-Listed Indian Subsidiary.

VI. The Company, shall not without the prior approval of the members by special resolution:

a) Dispose shares in the Material Subsidiary that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50%; or

b) Sell, dispose of or lease the assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during an accounting year;

Except in cases where such divestment, sale, disposal, lease as the case maybe is made under a scheme of arrangement duly approved by the Court /Tribunal.

#### **4. Disclosure:**

This Policy on determining Material Subsidiary shall be disclosed on the website of the Company ([www.asianhotelswest.com](http://www.asianhotelswest.com)) and a web link thereto shall be provided in the Annual Report of the Company.

#### **5. Miscellaneous:**

The Board of Directors of the Company has adopted the Policy and procedure with regard to determining Material Subsidiaries as required under Regulation 16 of Listing Obligations.

The Board of Directors of the Company may subject to applicable laws is entitled to amend, suspend or rescind this Policy at any time. Any difficulties or ambiguities in the Policy will be resolved by the Board of Directors in line with the broad intent of the Policy. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy and further the objective of good corporate governance.

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