

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

1. Prelude

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 24 of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations") on Corporate Governance.

The Board will review and may amend this policy from time to time, to align it in accordance with regulations included in the Companies Act, 2013, Guidelines issued by the Securities and Exchange Board of India (SEBI) and amendments to the SEBI Regulations from time to time.

2. Intent of the Policy

This policy is framed as per requirements of the Regulation 16 (1) (c) of the SEBI Regulations.

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

3. Applicability and Legal Framework

This Policy on Material Subsidiaries shall be governed by Regulation 24 of the Listing Regulations or such other Rules/Regulations, as may be notified by SEBI from time to time. Any references to statutory provisions shall be construed as references to those provisions as amended or re-enacted or as their application is modified by other statutory provisions (whether before or after the date hereof) from time to time and shall include any provisions of which they are re-enactments (whether with or without modification).

4. Definitions

- (i) "Audit Committee" means the Audit Committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Companies Act, 2013 read with Regulation 18 of the SEBI Regulations with the Stock Exchanges.
- (ii) "Board of Directors" or the "Board" means the Board of Directors of Mahindra Holidays & Resorts India Limited, as constituted from time to time.

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- (iii) "Control" shall have the same meaning as assigned to it under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- (iv) "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.
- (v) "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.
- (vi) "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 the immediately preceding accounting year.
- (vii) "Subsidiary" shall be as defined under the Companies Act, 2013 and the Rules made thereunder.

5. Policy

At least one Independent Director of the Company shall be a Director on the Board of Directors of the <u>Unlisted Material Subsidiary</u>, incorporated in <u>India</u>.

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

6. Disposal of Material Subsidiaries

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

- a) dispose shares in the Material Subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50%*; or
- b) 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.

The Company, without prior approval of Shareholders by way of Special Resolution shall not:



a) sell, dispose or lease the assets amounting to more than twenty per cent 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.

7. 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.

8. Disclosures

This policy shall be hosted on the Company's website at www.clubmahindra.com and a web link thereto shall be provided in the Annual Report.
