

POLICY FOR DETERMINING MATERIAL SUBSIDIARY

1. Purpose of this policy:

Royal Orchid Hotels Limited (“**ROHL**” or “**Company**”) is governed amongst others by the rules and regulations framed by Securities Exchange Board of India (“**SEBI**”).

The objective of this policy is to determine the Material Subsidiaries and Material Non-listed Subsidiary of the Company and to provide the governance framework for such subsidiaries. All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the Listing Agreement and in the absence of its definition or explanation therein, as per the Companies Act, 2013 (“**Act**”) and the Rules, Notifications and Circulars made/issued there under, as amended, from time to time.

The Audit Committee will review the policy periodically and may amend the same from time to time, as may be deemed necessary.

2. Definitions:

- (i) “**Committee**” shall mean committee of board of directors or any other committee so constituted;
- (ii) “**Material Subsidiary**” means Material Subsidiary as defined in sub-regulation (1) of Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (iii) Explanation - for the purposes of regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, notwithstanding anything to the contrary contained in regulation 16, the term “material subsidiary” means Material Subsidiary as defined in sub-regulation (1) of Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (iv) “**Material non-listed Indian Subsidiary**” shall mean an unlisted Subsidiary, incorporated in India, whose income or net worth as prescribed under sub-regulation (1) of Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (v) “**Significant transaction or arrangement**” shall mean as defined in sub-regulation (4) of Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) “**Unlisted Subsidiary**” means Subsidiary whose securities are not listed on any recognized Stock Exchanges.
- (vii) “**Subsidiary**” shall be as defined under the Act and the rules made thereunder.

3. Governance Framework, Policy and Procedure:

- a) This Policy shall be subject to review as may be deemed necessary by the Board of Directors/Administrative Committee and in accordance with any Regulatory amendments.
- b) The Company shall comply the Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or any other regulations as applicable, if any.

4. Disclosures

The Company shall disclose in its Board's report, details of this Policy as required under the Act and the Listing Agreement. This Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the Board's report.

5. Limitation and Amendment

In the event of any conflict between the provisions of this Policy and of the Act or Listing Agreement or any other statutory enactments, rules, the provisions of such Act or Listing Agreement or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Agreement, Act and/or applicable laws in this regard shall automatically apply to this Policy.

This policy shall be effective from the date when the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 become effective.
