

# **ECO HOTELS AND RESORTS LIMITED**

**Formerly known as Sharad Fibres and Yarn Processors Limited**

<b>Name of the policy</b>	Policy on Material Subsidiaries and Governance of Subsidiaries.
<b>Applicable Statutes</b>	In Accordance with the Regulation 16(1) ( C) of Securities Exchange Board of India( Listing Obligations and Disclosure Requirements) Regulation 2015.
<b>Approved By and Date of Approval</b>	The Board – August 29, 2023.
<b>Owner of the policy</b>	Company Secretary and Compliance Officer
<b>Version</b>	Version 0
<b>Review Frequency</b>	Yearly or change in law whichever is earlier

**1. PREAMBLE AND INTRODUCTION**

Under the Regulation 16(1)(C) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015, the Company has formulated this policy for determining material Subsidiary of the Company.

**2. SCOPE AND EXCLUSION**

This policy sets out the criteria for determining material subsidiary / subsidiaries.

**2.1 Subsidiary:**

A Company in which EHRL controls the composition of the Board of Directors or exercises or controls more than fifty percent of the total share capital of the Company, either directly or through one or more subsidiaries, shall be treated as a Subsidiary of EHRL.

**2.2 Material Subsidiary:**

A Subsidiary shall be considered as 'material Subsidiary' whose income or Net Worth exceeds ten percent of the consolidated income or net-worth respectively, of the Company and its subsidiary in the immediately preceding accounting year.

**2.3 Significant transactions or arrangements:**

Significant transactions or arrangements 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.

**3. RESPONSIBILITY:**

The Compliance Officer shall be responsible for ensuring the compliance of this Policy. A list of Material Subsidiary shall be maintained by the Company Secretary and the same shall be placed before the Audit Committee on an annual basis. The Audit Committee shall review the list of Material Subsidiary and make suitable recommendations, including recommendation for appointment of Independent Director on the Board of Material Subsidiary.

The Policy shall come into effect from the date of approval by the Board of Director

The policy shall be implemented as per the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015 as may be amended from time to time.