



Regd. Office: 2ND FLOOR MRUDUL TOWER B/H TIMES OF
INDIA ASHRAM ROAD AHMEDABAD GJ
380009 IN

CIN: U55101GJ2009PLC056756

E-mail id: cs@fourseason.co.in

FOUR SEASONS RESIDENCY LIMITED

POLICY ON MATERIAL SUBSIDIARIES

1. Introduction

The Securities market regulator- Securities and Exchange Board of India (SEBI) has put in place Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after referred as “**Listing Regulations**”) requires the listed entity to formulate a policy for determining Material Subsidiary.

In compliance with the aforesaid provisions of Listing Regulations, Four Seasons Residency Limited (the, “**Company**”) has formulated and adopted the Policy on Material Subsidiaries.

2. Policy Objective

The Policy shall be used to determine the Material Subsidiaries of the Company and to provide the corporate governance for such subsidiaries.

3. DEFINITIONS

“**Act**” shall mean the Companies Act, 2013 as may be amended from time to time together with the rules framed thereunder.

“**Audit Committee or Committee**” means “Audit Committee” constituted by the Board of Directors of the Company, from time to time, under provisions of Listing Agreement with the Stock Exchanges and the Act.

“**Board of Director**” or “**Board**” means the Board of Directors of the Company, as constituted from time to time.

“**Company**” means Four Seasons Residency Limited.



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“Control” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

“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 Act and the Listing Agreement with the Stock Exchanges.

“Policy” means Policy on Material Subsidiaries.

“Material Unlisted Indian Subsidiary” shall mean a Material Subsidiary which is incorporated in India and is not listed on the Indian Stock Exchanges.

“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.

“Subsidiary” shall be as defined under the Companies Act, 2013 and the Rules made there under.

4. Policy

- I. A Subsidiary shall be a Material Subsidiary, if any of the following conditions are satisfied:
 - A. the net worth of the subsidiary, exceeds 20 per cent of the consolidated net worth of Company and its subsidiaries in the immediately preceding accounting year; or
 - B. if the income of the subsidiary exceeds 20 per cent of the consolidated income of Company and its Subsidiaries in the immediately preceding accounting year.
- II. One **Independent Director** of the Company shall be a director on the Board of every Material Unlisted Indian Subsidiary Company.



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- III. The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by every Material Unlisted Subsidiary Company on an annual basis.
- IV. The minutes of the Board Meetings of each Material Unlisted Subsidiary Companies shall be placed before the Board of the Company periodically.
- V. The management shall periodically bring to the attention of the Board of Directors of the Company, a statement of all Significant Transactions and Arrangements entered into by the Material Unlisted Subsidiary.
- VI. The management shall present to the Audit Committee annually, the list of 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 Unlisted Indian Subsidiary.

5. Disposal of Material Subsidiary

The Company, without the prior approval of the members by Special Resolution, shall not:

- I. dispose of shares in any Material Subsidiary which would reduce its shareholding (either on its own or together with other Subsidiaries) to less than 50% or which would result in the cessation of the exercise of control by the Company over the Subsidiary, except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/ Tribunal; or
- II. sell, dispose or lease the assets amounting to more than twenty percent of the assets of the Material Subsidiary on an aggregate basis during a financial year, except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/ Tribunal.



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6. Disclosures

The Policy for determining material subsidiaries is to be disclosed on the company's website and a web link thereto to be provided in the Annual Report of the Company.

7. Limitation and Amendment

In the event of any conflict between the provisions of this Policy and of the Act or SEBI (LODR) Regulations, 2015 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 SEBI (LODR) Regulations, 2015, Act and/or applicable laws in this regard shall automatically apply to this Policy.