

VIDLI RESTAURANTS LIMITED

Reg Office:-D-09, Eastern Business District, LBS Road, Bhandup West, Mumbai 400078.

•T: +9122 49708389 •W: www.kamatsindia.com •E: cs@kamatsindia.com

CIN: L55101MH2007PLC173446

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

OF

VIDLI RESTAURANTS LIMITED

BACKGROUND AND PURPOSE:

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“Listing Regulations”) lays out regulatory requirements for material subsidiary companies. This Policy is framed in accordance with the provisions of Regulation 16(1)(c) of the Listing Regulations.

This Policy will be used to determine the material subsidiaries of the Company and to provide the governance framework for subsidiaries.

The Board of Directors of the Company has adopted the policy and procedures for determining material subsidiary companies (“Policy”).

DEFINITIONS

“Act” means the Companies Act 2013 as may be amended from time to time.

“Audit Committee” means the committee constituted by the Board of Directors of the Company in accordance with Section 177 of the Act.

“Board of Directors” or “Board” means the Board of Directors of Vidli Restaurants Limited, as constituted from time to time.

“Company” means Vidli Restaurants Limited.

“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 Regulations and appointed as such in the Company.

“Subsidiary” means a subsidiary as defined under the Act and Rules made there under.

“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 unlisted subsidiary for



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the immediately preceding accounting year.

All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the Listing Regulations 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 thereunder, as amended, from time to time.

POLICY AND PROCEDURE:

1. A subsidiary shall be considered as ‘Material Subsidiary’ if its 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.
2. Compliances with regards to **all the unlisted subsidiaries** of the Company:
 - i. The Audit Committee shall review the financial statements, in particular, the investments made by the unlisted subsidiary of the Company;
 - ii. The minutes of the Board meetings of the unlisted subsidiary company shall be placed at the Board meeting of the Company at regular intervals and
 - iii. The Board shall be provided periodically with a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company.
3. Compliances with regards to the **material subsidiaries**:
 - i. All the compliances mentioned in clause 3 above;
 - ii. The Company without passing a special resolution in its General Meeting, shall not:-
 - dispose of shares in its material subsidiary, which would reduce its shareholding (either on its own or together with other subsidiaries) to less than or equal to fifty percent or cease the exercise of control over the subsidiary except in cases where such divestment is made under a scheme of arrangement duly approved by Court/Tribunal or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.
 - Sell, dispose and lease assets amounting to more than twenty percent of the



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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 or under a resolution plan duly approved under Section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved;

- iii. At least one Independent Director of the Company shall be a director on the board of the unlisted material subsidiary whether incorporated in India or not and;

Only for the purposes of this provision, notwithstanding anything to the contrary contained in regulation 16(1)(c) of the Listing Regulation, the term “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.

- iv. The material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex a secretarial audit report given by a company secretary in practice, in such form as specified, with the annual report of the listed entity.

LIMITATION AND AMENDMENT:

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

DISSEMINATION OF THE POLICY:

This Policy shall be hosted on the website of Vidli Restaurants Limited and if required, a web-link thereto shall be provided in the Annual Report.

REVIEW OF THE POLICY:

This Policy shall be subject to review as may be deemed necessary as per any regulatory amendments.

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