



## **THOMAS COOK (INDIA) LIMITED**

### **POLICY ON MATERIAL SUBSIDIARIES**

#### **Version 4.0**

**Version 1.0: 30.01.2015**

**Version 2.0: 27.05.2016**

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## Policy on Material Subsidiaries

### 1. Preface

The Board of Directors (the “Board”) of Thomas Cook (India) Limited (the “Company”) has adopted the following policy (the “Policy”) with regard to determination of Material Subsidiaries of the Company. This Policy was formulated in accordance with the Clause 49 of the erstwhile Equity Listing Agreement with the Stock Exchanges and is been aligned in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

### 2. Objective of the Policy

This Policy has been framed to determine the Material Subsidiaries of the Company and to provide the governance framework for such Subsidiaries.

### 3. Definitions

- a) “**Audit Committee**” or “**Committee**” means a Committee of the Board of Directors of the Company, as constituted from time to time under Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- b) “**Board of Directors**” or “**Board**” means the Board of Directors of the Company, as constituted from time to time.
- c) “**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 prescribed under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- d) “**Material Subsidiary**” shall mean a subsidiary, whose 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, as may be amended from time to time.
- e) “**Significant Transaction or Arrangement**” shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent (10%) of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the Unlisted Subsidiary Company for the immediately preceding accounting Year.
- f) “**Subsidiary Company**” means the Subsidiary Company as defined under the Companies Act, 2013 and the Rules made thereunder.

#### 4. Compliance to be done by the Company

The Company is required to comply with following:

- a) The Company shall appoint at least one Independent Director of the Company on the Board of its Unlisted Material Subsidiary whether incorporated in India or not.

**Explanation:**

For the aforesaid purpose, "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.

- b) The Audit Committee of the Company shall review the financial statements, in particular, the investments made by its Unlisted Subsidiary Company/ies.
- c) The Minutes of the Board Meeting/s of the Unlisted Subsidiary Company/ies shall be placed before the Board of the Company.
- d) The Management shall periodically bring to the attention of the Board of Directors of the Listed Holding Company, a statement of all significant transactions and arrangements entered into by the Unlisted Subsidiary Company.

**Explanation:**

**For the aforesaid purpose, the term "significant transaction or arrangement" shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding accounting year.**

- e) The Company, without the prior approval of the Members by a Special Resolution, shall not:
  - i. dispose of its shares in Material Subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than or equal to fifty percent (50%); or ceases the exercise of control over the Subsidiary/ies except in cases where disinvestment 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; or
  - ii. sell, dispose or lease the assets amounting to more than twenty percent (20%) 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 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.

#### 5. Communication of this Policy

This Policy shall be posted on the web-site of the Company and a web link thereto shall be provided in the Annual Report of the Company.

#### 6. Amendment

Any change in the Policy shall be approved by the Board of Directors of the Company. The Board of

Directors shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

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