



FOODS AND INNS LIMITED

Foods & Inns

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

(Pursuant to regulation 16 (1) (C) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

1. BACKGROUND:

Regulation 16 (1) (C) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (herein after referred as ('Listing Regulations') inter alia stipulates that the Company shall formulate a policy for determining 'material subsidiaries'. In compliance with the above requirements, FOODS AND INNS LIMITED has framed "Policy for determining material subsidiaries".

2. OBJECTIVE:

The object of this policy is determination of material subsidiary and disclosure thereof as required under Listing Regulations including any amendments thereof

3. DEFINITIONS:

- "Company"** : The Company shall mean FOODS AND INNS LIMITED
- "Control"** : Shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholder agreements or voting agreements or in any other manner.
- "Material Subsidiary"** : Is 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.
- "Significant transaction or arrangements"** : 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 material subsidiary for the immediately preceding accounting year.
- "Subsidiary"** : shall mean as defined under the Companies Act, 2013 and the Rules made thereunder. Where a listed holding company has a listed subsidiary which is itself a holding

company, the above provisions shall apply to the listed subsidiary insofar as its subsidiaries are concerned.

Any other term not defined herein, shall have the same meaning as defined under the Companies Act, 2013 and the rules framed thereunder, the listing Regulations, the Act, Rules and Regulations framed by the Securities Exchange Board of India or any other relevant legislation/ regulation applicable to the Company.

4. INDEPENDENT DIRECTOR ON THE BOARD OF AN UNLISTED MATERIAL SUBSIDIARY:

At least one independent director on the board of directors of the listed entity shall be a director on the board of directors of an unlisted material subsidiary, incorporated in India.

5. SIGNIFICANT TRANSACTIONS AND ARRANGEMENTS BY THE UNLISTED SUBSIDIARY COMPANY:

The management should 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.

6. RESTRICTION ON DISPOSAL OF SHARES OF A MATERIAL SUBSIDIARY:

The Company 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 50% or cease the exercise of control over the subsidiary without passing a special resolution in its General meeting except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/ Tribunal.

7. RESTRICTION ON TRANSFER OF ASSETS OF A MATERIAL SUBSIDIARY:

Selling, disposing and leasing of assets amounting to more than twenty percent (20%) of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders by way of special resolution, unless the sale/ disposal/ lease is made under a scheme of arrangement duly approved by a Court/ Tribunal.

8. DISCLOSURES:

Pursuant to revised Regulation 46(2)(h) of Listing Regulations this policy shall be disclosed in the Company's website.