

GMR Hyderabad International Airport Limited



Policy on Material Subsidiaries



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1. **INTRODUCTION:**

GMR Hyderabad International Airport Limited is a company incorporated under the Companies Act, 1956, (the “Company”) engaged in operation, management and development of Rajiv Gandhi International Airport (RGIA), Hyderabad.

The Board of Directors (The “Board”) of the Company has adopted the following policy and procedures with regard to determination of Material Subsidiary(ies) (hereinafter defined).

1.1. **PURPOSE OF THE POLICY:**

To determine the Material Subsidiaries of the Company and to provide the governance framework for such Material Subsidiary(ies).

All the words and expressions used in this Policy, unless defined herein, shall have meaning respectively assigned to them under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred to as “SEBI (LODR) Regulations” or “Listing Regulations”] and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made / issued thereunder, as amended from time to time.

1.2. **DEFINITIONS:**

1.2.1 “Audit Committee” means Audit Committee constituted by the Board of Directors of the Company, from time to time, under the provisions of Listing Regulations and / or the Companies Act, 2013.

1.2.2 “Consolidated Income or Net-worth” means the total income or net-worth of the Company and its Subsidiaries.

1.2.3 “Independent Director” means a Non-Executive Director of the Company, not being a Managing Director, whole-time director, Nominee Director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence as laid down under section 149, Schedule IV of the Companies Act, 2013 and the Regulation 16 of Listing Regulations. However, pursuant to Regulation 16 of the Listing Regulations, in case of a ‘high value debt listed entity’, which is a body corporate, mandated to constitute its board of directors in a specific manner in accordance with the law under which it is established, the Non-Executive Directors on its board shall be treated as Independent Directors;

1.2.4 “Policy” means this Policy on Material Subsidiary.

1.2.5 “Material Subsidiary” shall mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

1.2.6 “Significant transaction and arrangement” shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenue or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding accounting year.



1.2.7 “Subsidiary” means a subsidiary as defined under the provisions of the Companies Act, 2013 and the Rules made thereunder.

2. **POLICY:**

- i. A subsidiary shall be a Material Subsidiary, whose income or net worth exceeds 10% of the consolidated income or net worth of the Company and its Subsidiaries in the immediately preceding accounting year;
- ii. At least one Independent Director on the Board of Directors of the Company shall be a Director on the Board of Directors of an unlisted Material Subsidiary, whether incorporated in India or not.

For the purposes of this clause, “Material Subsidiary” shall mean a Subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the Company and its Subsidiaries in the immediately preceding accounting year.

- iii. The Audit Committee of the Company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary.
- iv. The minutes of the meetings of the Board of Directors of the unlisted Subsidiary shall be placed at the meeting of the Board of Directors of the Company.
- v. The management of the unlisted Subsidiary shall periodically bring to the notice of the Board of Directors of the Company, a statement of all Significant Transactions and Arrangements entered into by the unlisted Subsidiary.
- vi. Where the Company has a listed Subsidiary, which is itself a holding company, this policy shall apply to the listed Subsidiary in so far as its subsidiaries are concerned.

3. **DISPOSAL OF MATERIAL SUBSIDIARY:**

The Company shall not:

- i. dispose of the 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 50% or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting, except in cases where divestment is made under a scheme or arrangement duly approved by a Court/Tribunal or under a resolution plan duly approved under the Insolvency Code;
- ii. selling, disposing off and leasing of assets amounting to more than twenty percent of the assets of the Material Subsidiary on an aggregate basis during a financial year without 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 or under a resolution plan duly approved under the Insolvency Code.



4. **DISCLOSURES:**

The Company shall disclose the Policy on Material Subsidiaries on its website.

5. **POLICY REVIEW:**

This policy shall be subject to review by the Board as may be deemed necessary and to comply with any regulatory amendments or statutory modifications.

6. **AMENDMENT:**

Amendment to this Policy shall be approved by the Board from time to time.

Any amendment or modification in the Listing Regulations and any other applicable regulation relating to Material Subsidiaries shall be applicable to the Company.

This Policy was originally reviewed and approved by the Board of Directors on 20-01-2023.

Sl. No.	Reviewed By	Review Date	Approved By	Approval Date
01.	Board of Directors	20-01-2023	Board of Directors	20-01-2023