

# PECOS HOTELS AND PUBS LIMITED

## **POLICY FOR DETERMINING MATERIAL SUBSIDIARIES**

### **PURPOSE**

This Policy aims to determine Material Subsidiary(ies) of the Company and is titled as the “Policy for Determining Material Subsidiaries”.

### **CRITERIA FOR DETERMINING “MATERIAL SUBSIDIARY”**

A subsidiary of the Company shall be considered ‘Material’ if:

- a. the net worth of the subsidiary exceeds 10% of the consolidated net worth of the Company and its subsidiaries in the immediately preceding accounting year; or
- b. the subsidiary has generated more than 10% of the consolidated income of the Company and its subsidiaries in the immediately preceding accounting year.

For the purpose of determining material subsidiaries for appointment of an independent director of the Company on the Board of Directors of such subsidiaries, the criterion of 20% of the consolidated income or net worth of the Company and its subsidiaries in the immediately preceding accounting year shall apply.

### **DISCLOSURE**

This Policy shall be disclosed on the Company’s website [www.pecospub.com](http://www.pecospub.com) and web link thereto shall be provided in the Annual Report of the Company.

### **REVIEW/AMENDMENT**

The Board may amend, abrogate, modify or revise any or all clauses of this Policy in accordance with the applicable provisions of the Listing Regulations and amendment(s) thereto notified by the Securities and Exchange Board of India and/or Stock Exchanges, from time to time. In case any provision(s) of this Policy is contrary to or inconsistent with the provisions of the Companies Act, 2013, rules framed thereunder and Listing Regulations (‘Statutory Provisions’), the Statutory Provisions shall prevail.

Further, amendments in the Statutory Provisions shall be binding even if not incorporated in this Policy.