



INDIAN RAILWAY CATERING AND TOURISM CORPORATION LIMITED

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POLICY ON MATERIAL SUBSIDIARY

1. LEGAL FRAMEWORK

The Board of Directors (the 'Board') of Indian Railway Catering and Tourism Corporation Limited ("the Company" or "IRCTC Limited") has adopted the following policy and procedures with regard to determination of Material Subsidiaries in its 137th Board meeting held on 28th May 2024.

This Policy has been framed in accordance with Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (the "Listing Regulations").

2. OBJECTIVE

To determine Material Subsidiaries of IRCTC Limited and to provide governance framework for such subsidiaries.

3. DEFINITIONS

- i. **"Act"** means the Companies Act, 2013 including any statutory modification or reenactment thereof and rules made thereunder.
- ii. **"Audit Committee or Committee"** means the 'Audit Committee' constituted by the Board of Directors of the Company in accordance with section 177 of the Act and Regulation 18 of the Listing Regulations.
- iii. **"Board of Directors" or "Board"** means the Board of Directors of the Company, as constituted from time to time.
- iv. **"Independent Director"** means a director of the Company, as defined in Section 2(47) of the Act and Regulation 16 (b) of the Listing Regulations.
- v. **"Material Subsidiary"** means 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.
- vi. **"Subsidiary Company"** means a subsidiary as defined under sub-section (87) of section 2 of the Companies Act, 2013.

Any other word(s) used in this policy but not defined herein shall have the same meaning as defined in the Act including any statutory modification or re-

enactment thereof or Rules made there-under, Listing Regulations and the rules and regulations made there – under or any other relevant legislation / law applicable to the Company.

4. PROCEDURE AND POLICY

- a. A subsidiary shall be a **Material 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.
- b. At least one Independent Director on the Board of the Company shall be a director on the Board of the Unlisted Material Subsidiary whether incorporated in India or not.

For the purpose of this sub-clause, “**Material Subsidiary**” means 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.

- c. The Audit Committee of the Company shall review the financial statements, in particular the investments made by the Unlisted Subsidiary Company.
- d. The minutes of the Board meetings of the Unlisted Subsidiary Company shall be placed at the Board meeting of the Company.
- e. The management of **Unlisted Subsidiary Company** 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 Company

For this the purpose of this sub-clause, “**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 the immediately preceding accounting year.

- f. Material Unlisted Subsidiaries incorporated in India shall undertake secretarial audit and shall annex with their annual report, a secretarial audit report given by Company Secretary in practice.

5. DISPOSAL OF MATERIAL SUBSIDIARY:

The Company without prior approval of the shareholders by special resolution, shall not:

- a. dispose of shares in its Material Subsidiary(ies), resulting in reduction of 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 except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal or under a resolution duly approved under section 31 of the Insolvency Code and such event is disclosed to the recognized stock exchanges within one day of the resolution

plan being approved.

- b. sell, dispose and lease the assets amounting to more than twenty percent of the assets of the Material Subsidiary(ies) 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 event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

6. DISCLOSURE

This "Policy on determining Material Subsidiaries" shall be disclosed on website of IRCTC and a web link thereto shall be provided in the Annual Report of the Company.

7. AMENDMENT

The Board of Directors may review or amend this policy, in whole or in part, from time to time as per the requirement of the Act or any other statute. However, any amendment in the Policy required in compliance with the Listing Regulations or any statutory enactment, Chairman & Managing Director of the Company is empowered to approve such amendment.

8. GENERAL

Notwithstanding anything contained in this policy, the Company shall ensure compliance with any additional requirements as may be prescribed under any laws/ regulations either existing or arising out of any amendment to such laws/ regulations or otherwise and applicable to the Company, from time to time.

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 Agreement 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.
