



D B REALTY LIMITED

POLICY ON MATERIAL SUBSIDIARIES

The policy on Material Subsidiaries is framed in line with the requirements of Listing Agreement Clause 49 Para V and is deemed to have come into force w.e.f. 1st October, 2014. The Policy is intended to determine Material Subsidiaries of the Company and ensure governance of the same.

The policy may be reviewed and amended from time to time by the Board of Directors of the Company.

The Policy shall be placed on the website of the Company and a web-link thereto shall be provided in the Annual Report.

DEFINITIONS:

“Board of Directors” or “Board” means the Board of Directors of D B Realty Limited

“Company” means D B Realty Limited. **Company** may also refer to a Company incorporated under the Companies Act, 2013 or any other previous Company law in India under which the same is registered, as the context may require.

“Policy” means this Policy as amended from time to time.

“Audit Committee” means the Audit Committee of the Company constituted by the Board of Directors of the Company under Clause 49 of the Listing Agreement from time to time or under Section 177 of the Companies Act, 2013.

“Independent Director” means a Director of the Company appointed by the Board of Directors/shareholders of the Company, who is neither in whole time employment of the Company Director nor person belonging to Promoter/Promoter Group and who satisfies the criteria for independence as prescribed by Section 149 of the Companies Act, 2013 and also the Listing Agreement with the Stock Exchanges.

“Material Non listed Subsidiary” means a material Subsidiary incorporated in India and defined under this Policy / the Listing Agreement with the Stock Exchanges as may be amended from time to time in any manner, which is not listed In any Stock Exchange.

“Significant Transaction or Arrangement” means 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 material unlisted subsidiary for the immediately preceding financial year.

All the words and expressions used in this policy, not defined herein shall have the meaning respectively assigned to them under the Listing Agreement or 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.

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MATERIAL SUBSIDIARY:

A Subsidiary shall be considered material if –

- a. The investments of the Company, whether current or prospective, in the subsidiary exceeds 20 per cent of its consolidated net worth as per the audited balance sheet of the previous financial year or,
- b. If the subsidiary has generated 20 per cent of the consolidated income of the Company during the previous financial year.

Material unlisted Indian subsidiary shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds 20 per cent of the Consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding financial year.

POLICY ON MATERIAL SUBSIDIARY:

One Independent Director of the Company shall be appointed as Director on the Board of the unlisted material Indian subsidiary of the Company.

The Audit Committee of the Board of the Company shall review the financial statements , in particular the investments made by the unlisted Subsidiary Company.

The Minutes of the Board Meeting of the Unlisted subsidiary companies shall be placed before the Board of the Company,

The Management shall bring to the attention of the Board of the Company a statement of all Significant Transactions and Arrangements entered into by the unlisted subsidiary Company.

The Company shall present to the Audit Committee annually a list of such subsidiaries together with the details of materiality defined herein. The Audit Committee shall review the same and make suitable recommendation to the Board for appointment of Independent Director in the unlisted Material Indian Subsidiary.

DISPOSAL OF THE MATERIAL SUBSIDIARY:

The Company, without the prior approval of the members by special resolution or a resolution with majority as may be prescribed under Clause 49 shall not

(a) dispose of the shares in the Material Subsidiary that reduces the shareholding (either on its own or together with other subsidiaries) to less than 50%; or

(b) cease the exercise of control over the Material Subsidiary; or

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(c) sell, dispose of or lease the assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during an accounting year;

except where such divestment, sale, disposal, lease as the case may be is made under a scheme of arrangement duly approved by the Court / Tribunal.

DISCLOSURES:

This Policy on determining Material Subsidiary shall be disclosed on the website of the Company (www.dbrealty.co.in) and a web link thereto shall be provided in the Annual Report of the Company.

MISCELLANEOUS :

In case of any changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in this policy inconsistent with the Act or the or regulations, then the provisions of the Act or the Regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with the law.

This policy will be reviewed by the Audit Committee as and when any changes are to be incorporated in the policy due to change in the regulations or as may be felt appropriate by the committee. Any changes on the Policy as recommended by the committee would be considered for approval by the Board.

Dated 8th November, 2014

DB REALTY LIMITED

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