



POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

1. PREFACE

The Board of Directors (the “Board”) of D B Realty Limited (the “Company”) had adopted the policy and procedures regarding determination of Material Subsidiaries on 07th November, 2023. The said policy has been prepared in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (“Listing Regulations”).

Regulation 16(1)(c) read with Regulation 46(2)(h) of Listing Regulations requires the Company to formulate a policy for determining ‘material’ subsidiary and publish such policy on its website.

2. POLICY OBJECTIVE

The objective of this Policy is to determine the Material Subsidiaries (defined herein below) of the Company and to provide a governance framework for such subsidiaries.

3. DEFINITIONS

“Act” means the Companies Act, 2013.

“**Audit Committee or Committee**” means “**Audit Committee**” constituted by the Board of Directors of the Company, from time to time, in accordance with the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 / erstwhile Listing Agreement and the Companies Act, 2013.

“**Board of Director**” or “**Board**” means the Board of Directors of the Company, as constituted from time to time.

“Company” means ‘**D B Realty Limited**’.

“**Independent Director**” means a director of the Company, not being a whole-time director or nominee director and who satisfies other criteria for independence in accordance with the applicable provisions of the under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“**Listing Regulations**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereof.

“**Policy**” means this Policy on material subsidiaries.

“**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.

“**Net Worth**” means net worth as defined in sub-section (57) of section 2 of the Companies Act, 2013.

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“Significant transaction or arrangement” 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 subsidiary for the immediately preceding accounting year.

“Subsidiary(ies)” means subsidiary of the Company as defined in the Companies Act, 2013 and the Rules made thereunder.

“Unlisted Material Subsidiary” means an unlisted subsidiary, incorporated in India, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the Company and its Subsidiaries in the immediately preceding accounting year. Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Regulations, Securities Contract (Regulation) Act, 1956 or any other applicable law or regulation.

All words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under Listing Regulations and in the absence of its definition or explanation therein, as per the Companies Act, 2013 (“Act”) and the Rules, Notifications and Circulars issued thereunder, as amended from time to time.

CRITERIA FOR DETERMINING MATERIAL SUBSIDIARY

A subsidiary shall be a Material Subsidiary, if any one of the following conditions are satisfied:

- a. If the income of the subsidiary exceeds ten per cent of its consolidated income of the Company and its subsidiaries in the immediately preceding accounting year; or
- b. If the net worth of the subsidiary exceeds ten per cent of the consolidated net worth of the Company and its subsidiaries in the immediately preceding accounting year.

Based on audited consolidated and standalone annual financial statements of Company and its subsidiaries, in each financial year, the Company would identify the subsidiaries which would get covered under the definition of material subsidiary as provided above.

GOVERNANCE FRAMEWORK FOR THE MATERIAL SUBSIDIARY(IES)

A. If any subsidiary is found to be ‘material’, the Company should comply the following:

- 1) The Management of the unlisted material 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 said unlisted material subsidiary.
- 2) The Company shall not dispose of shares in its Material Subsidiary which would reduce its shareholding (either on its own or together with 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 such divestment 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 and Bankruptcy Code ,2016 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

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3)The Company shall not sell, dispose off and lease any 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. However, the said approval is not required if 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 and Bankruptcy Code, 2016 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved].

4)Where a listed subsidiary of the Company is itself a holding company of a Material Subsidiary, the provisions of this Policy shall apply to the listed subsidiary in so far as its subsidiaries are concerned.

B. At least one Independent Director of the Board of the Company shall be a director on the Board of Directors of an unlisted material subsidiary, whether incorporated in India or not. However, for the purpose of appointment of Independent Director, the term “material subsidiary” shall mean 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.

C. The Company shall comply with such other requirement in relation to unlisted material subsidiary as may be mandated under the Act and/ or Listing Regulations, from time to time.

1. The Company shall disclose events or information as covered under Regulation 30 of SEBI (LODR) Regulations, 2015 with respect to subsidiaries, which are material for it.

2. The Audit Committee of the Company shall review the financial statements, particularly the investments made by the unlisted subsidiary.

3. The minutes of the meeting of the board of directors of the unlisted subsidiary shall be placed at the meeting of the board of directors of the Company.

4. The management of the unlisted subsidiary shall periodically bring to the notice of the board of the directors of the Company, a statement of Significant transactions and arrangements entered into by the unlisted subsidiary in the format similar to the format prescribed in the relevant accounting standards.

6. EFFECTIVE DATE

The Policy has been adopted by the Board of Directors at their meeting held on 07th November, 2023 and shall come into force on listing of Company’s equity shares on any of the stock exchanges.

7. AMENDMENT

The Board may amend or modify this Policy in whole or in part, from time to time If, due to subsequent changes in the Act or/and Regulation, a particular Standard or any part thereof becomes inconsistent with the Act or/and Regulation, the provisions of the Act or/and Regulation shall prevail.

VERSION HISTORY

Sr. No	Approved by	Approval date	Effective date
1.	Board of Directors	07/11/2023	07/11/2023

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