

## **POLICY FOR DETERMINING MATERIAL SUBSIDIARIES**

### **1. Introduction**

This Policy is applicable to the Company with effect from 1 October 2014. This Policy was made in terms of Clause 49 of the Listing Agreement and thereafter realigned with Regulation 16 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

### **2. Policy Objective**

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

### **3. DEFINITIONS**

**“Audit Committee or Committee”** means Committee of Board of Directors of the Company constituted under provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

**“Company”** means a company incorporated under the Companies Act, 2013 or under any previous company law.

**“Independent Director”** means a director of the Company, not being a whole time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges as may be amended from time to time.

**“Policy”** means Policy for determining Material Subsidiaries.

**“Non Listed Indian Subsidiary”** shall mean a subsidiary which is not listed on any Stock Exchange in India

**“Material Non Listed Indian Subsidiary”** shall mean a Material Subsidiary which is incorporated in India whose income or net worth exceeds 10% of the Consolidated income or net worth respectively, of the Listed Holding Company and its subsidiaries in the immediately preceding accounting year and is not listed on the Indian Stock Exchanges, as defined under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 .

**“Significant Transaction or Arrangement”** shall mean any individual transaction or arrangement that exceeds or is likely to exceed or 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 as defined under the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

“**Subsidiary**” shall be as defined under the Companies Act, 2013 and the Rules made thereunder.

#### 4. Policy

1. A subsidiary shall be a **Material Subsidiary**, if any of the following conditions are satisfied:
  - a. 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 or;
  - b. Such other criteria as may be defined under the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges, amended from time to time.
2. One **Independent Director** of the Company shall be a director on the Board of the Material Non- Listed Indian Subsidiary Company in accordance with the provisions of Regulation 24 of SEBI (LODR) Regulations. . However, in reference to this clause the term “material unlisted 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.
3. The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary Company.
4. The minutes of the Board Meetings of the Unlisted Subsidiary Companies shall be placed before the Board of directors of the listed Company. the Company on basis.
5. The management shall periodically bring to the notice of the Board of Directors of the listed entity, a statement of all Significant Transactions and Arrangements entered into by the unlisted subsidiary company.
6. Audit Committee shall periodically review any Significant/material transaction/event including any show cause notice, litigations, procedures, orders, claims etc. affecting the business of the Company or material impact on the performance of the Company.
7. The management shall present to the Audit Committee annually the list of such subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board including recommendation for appointment of Independent Director in the Material Non- Listed Indian Subsidiary.

#### 5. Disposal of Material Subsidiary

The Company, without the prior approval of the members by Special Resolution, shall not:

- a. dispose shares in Material Subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50%; or ceases the exercise of control over the Subsidiary, except in cases where such divestment is made under a scheme of arrangement duly approved by Court/ Tribunal;

- b. sell, dispose or lease the assets amounting to more than twenty percent of the assets of the material subsidiary except in cases where such sell, dispose or lease is made under a scheme of arrangement duly approved by Court/ Tribunal

## **6. Disclosures**

The Board of Directors of the Company may review and amend this policy from time to time to align it with the applicable laws, rules, notifications, circulars and regulations. Policy for determining material subsidiaries shall be disclosed on the Company's website and a weblink thereto shall be provided in the Annual Report.