

POLICY ON SUBSIDIARIES

1. Introduction

This Policy will be applicable to the Company effective 1 October 2014. This Policy is in terms of Clause 49 of the Listing Agreement with the Stock Exchanges.

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 “Audit Committee” constituted by the Board of Directors of the Company, from time to time, under provisions of Listing Agreement with the Stock Exchanges and Companies Act, 2013.

“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 on 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 exceed 20% of the Consolidated income or net worth respectively, of the Listed Holding Company and its subsidiary in the immediately preceding accounting year and is not listed on the Indian Stock Exchanges, as defined under the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges as may be amended from time to time.

“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 material unlisted subsidiary for the immediately preceding accounting year as defined under the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges as may be amended from time to time.

“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. In which the Investment of the Company/Proposed Investment, exceeds 20% of its consolidated net worth as per the audited balance sheet of the previous financial year; or
 - b. Which have generated twenty per cent of the consolidated income of the Company during the previous financial year.
 - c. 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.
3. The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary Company on an annual basis.
4. The minutes of the Board Meetings of the Unlisted Subsidiary Companies shall be placed before the Board of the Company on an half yearly basis.
5. The management shall on a quarterly basis bring to the attention of the Board of Directors of the Company, 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;
- c. 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

Policy for determining subsidiaries shall be disclosed on the Company's website and a weblink thereto shall be provided in the Annual Report.