

POLICY ON MATERIAL SUBSIDIARIES

1. Introduction

In terms of Regulation 16(1)(c) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Listing Regulations**”), the Company is required to formulate a policy for determining ‘material’ subsidiaries. In compliance with the said requirement, the Board of Directors of Oberoi Realty Limited has adopted the following policy and procedure with regard to determination of and matters relating to Material Subsidiaries as defined below. The Board may review and amend this policy from time to time.

This Policy will be applicable to the Company effective December 1, 2015 or such other date as may be specified by Securities and Exchange Board of India.

2. Policy objective

This policy is intended to ensure that Board of Directors of Company have sufficient knowledge and periodic updates of the business and operations of its Subsidiaries.

3. Definitions

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

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

“**Company**” means Oberoi Realty Limited.

“**Control**” shall have the same meaning as assigned to the term under the defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

“**Independent Director**” shall have the meaning as ascribed to the term under the Sub-regulation 1(b) of Regulation 16(1)(b) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 Listing Agreement.

“**Material Subsidiary**” shall have the meaning as stated in paragraph 4 of this policy.

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

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

“**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 Material Subsidiary for the immediately preceding accounting year.

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

“**Unlisted Material Subsidiary**” means a Material Subsidiary whose equity shares are not listed on any recognized stock exchange in India.

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4. Policy for testing and determination of Material Subsidiary

I. Test of Material Subsidiary

In terms of Regulation 16(1)(c) the Listing Regulations, 2015, a Subsidiary of the Company shall be considered as a ‘**Material Subsidiary**’, if the income or Net Worth of the Subsidiary exceeds 20% of Company’s consolidated income or Net Worth respectively as per the audited financial statements of the immediately preceding financial year.

II. Identification and determination of Material Subsidiary

- a. The management of the Company shall on an annual basis update to the Board of the Company at the Board meeting next following the meeting in which the consolidated financial statements of the Company are approved, the identity of companies, which basis the audited financial statements of the immediately preceding financial year, need to be included and/ or removed from in the list of Material Subsidiary(ies).
- b. All provisions relating to Material Subsidiary as stated at paragraph 5 below, shall apply to such Subsidiary from the date of such updation to the Board.

5. Provisions applicable to Unlisted Material Subsidiary

At least one Independent Director of the Company shall be a director on the Board of an Unlisted Material Subsidiary.

6. Provisions applicable to all Material Subsidiaries, including Unlisted Material Subsidiary

The Board, without the prior approval of the members by special resolution, shall not:

- (i) dispose of shares in a Material Subsidiary that reduces the Company's shareholding (either on its own or together with other Subsidiaries) to less than 50% or ceases the exercise of Control over the Material Subsidiary; or
- (ii) sell, dispose or lease out the assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during a financial year.

Approval of members shall not be required for cases stated in paragraph 6(i) and 6(ii), if such divestment/ sale, disposal or lease is made under a scheme of arrangement duly approved by a court/tribunal.

7. Additional provisions applicable in respect of all Unlisted Subsidiaries, including Material Subsidiaries

- (i) The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the Unlisted Subsidiary(ies).
- (ii) The minutes of the meetings of the Board of all Unlisted Subsidiaries shall be placed before the Board meeting of the Company.
- (iii) It shall be periodically brought to the notice of the Board of the Company, a statement of all Significant Transaction or Arrangement entered into by the Unlisted Subsidiary/ies.

8. Disclosures

This Policy will be disclosed on the Company's website and a web link thereto shall be provided in the Annual Report of the Company.

This Policy will be communicated to all operational employees and other concerned persons of the Company.