

Ajmera Realty & Infra India Limited

Regd. Office : "Citi Mall", Link Road, Andheri (West), Mumbai 400 053.

Tel.: +91-22-6698 4000 Fax: +91-22-2632 5902 Email: investors@ajmera.com • Website: www.aril.co.in

CIN No. L27104 MH1985 PLCO35659



POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

*{Pursuant to Regulation 16(1) (c) of SEBI (Listing Obligation and Disclosure
Requirements) Regulations, 2015}*

AJMERA REALTY & INFRA INDIA LIMITED

*Regd. Office: - "CITI MALL, 2ND FLOOR, NEW LINK ROAD, ANDHERI (WEST),
MUMBAI-400053"*

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INTRODUCTION

The Board of Directors of Ajmera Realty & Infra India Limited has adopted the following policy and procedures with regard to determination of Material Subsidiaries.

TITLE

This Policy shall be called 'Policy for determining material subsidiaries'.

OBJECTIVE

The objective of the Policy is to determine material subsidiaries of the Company and to provide a governance framework for such material subsidiaries.

The Policy is framed in accordance with the requirements of the Regulation 16(1) (c) of SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015 (Listing Agreement) (including any amendments thereof).

DEFINITIONS

"Act" means Companies Act, 2013.

"Board of Directors" or **"Board"** means the Board of Directors of Ajmera Realty & Infra India Limited, as constituted from time to time.

"Company" means Ajmera Realty & Infra India Limited.

"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.

"Insolvency Code" means the Insolvency and Bankruptcy Code, 2016.

"Policy" means this Policy, as amended from time to time.

"Subsidiary" shall mean a subsidiary as defined under the Companies Act, 2013 and Rules made there under.

"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 unlisted subsidiary for the immediately preceding accounting year

Any other term not defined herein shall have the same meaning as defined in the

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Companies Act, 2013, the Listing Agreement, Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation.

POLICY

Material Subsidiary shall mean a Subsidiary that satisfies the following conditions:

- Whose net worth exceeds 10% of the consolidated net worth of the Company and its subsidiaries as per the audited balance sheet of the immediately preceding accounting year; or
- Whose income exceeds 10% of the consolidated income of the Company and its subsidiaries as per the audited balance sheet of the immediately preceding accounting year; or

A list of such Material subsidiaries shall be presented to the Audit Committee annually by 30th June for its review defining the materiality.

REQUIREMENT REGARDING MATERIAL SUBSIDIARY (LISTED/UNLISTED)

The Company, without passing a special resolution in its General Meeting, shall not:

- dispose shares in the material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or
- dispose shares in the material subsidiary which would cease the exercise of control over the subsidiary or
- sell, dispose or lease the assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year,

unless in cases where the divestment/ 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 Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

REQUIREMENT REGARDING MATERIAL UNLISTED SUBSIDIARY

At least one Independent Director on the Board of the Company shall be a Director on the Board of the unlisted material subsidiary company, whether incorporated in India or not.

Only for the purpose of appointing Independent Director, the term “material



subsidiary” shall mean a subsidiary, 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.

REQUIREMENT REGARDING UNLISTED SUBSIDIARY (MATERIAL/IMMATERIAL)

- Audit Committee of the Company shall review the financial statements of unlisted subsidiary, in particular investments made by the unlisted subsidiary.
- The minutes of the meetings of Board of Directors of unlisted subsidiary shall be placed at the Board Meeting of the Company.
- The management of the unlisted subsidiary shall on quarterly basis bring to the notice of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.

AMENDMENTS

The Board may, subject to applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy.

The Board may also establish further rules and procedures, from time to time, to give effect to this Policy and to ensure governance of material subsidiary companies.

SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the Listing Regulation / Companies Act, 2013 or any other statutory enactments, rules, the provisions of such Listing Regulation / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

DISSEMINATION OF POLICY

This policy shall be hosted on the website of the Company and a web link thereto shall be provided in the annual report of the Company.

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| Version -2 of 2019 |
| Version-Approved by the Board of Directors |
| Version approved on :30 th March,2019 |
| Last Modified 14 th November,2014 |
| Effective Date: 14 th November,2014 |
| Next Review : As and when required/ Annual |

Approved Signed:

| | | |
|------------------------------------------------------------|---------------------------------------------------------------|---------------------------------------------|
| Sd/- | Sd/- | Sd/- |
| Mr. Rajnikant S. Ajmera Chairman & Managing Director | Mr. Manoj I. Ajmera Managing Director | Mr. Sanjay C. Ajmera Whole time Director |
| Sd/- | Sd/- | Sd/- |
| Mr. Ambalal C. Patel Independent Director | Mr. K. G. Krishnamurthy Additional Independent Director | Mrs. Aarti Ramani Independent Director |