

DLF LIMITED
Material Subsidiary Policy

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DLF LIMITED

MATERIAL SUBSIDIARY POLICY

[IN TERMS OF CLAUSE 49(V)(D) OF THE LISTING AGREEMENT]

1. Introduction

This policy shall be called Material Subsidiary Policy.

2. Objectives

The Company has formulated this policy on material subsidiaries in accordance with the requirements of Clause 49(V)(D) of the equity listing agreement entered into by the Company with the Stock Exchanges (**'Listing Agreement'**).

3. Definitions

Definitions of some of the key terms used in this policy are given below:

- a) **'Act'** means Companies Act, 2013, as amended from time to time.
- b) **'Audit Committee' or 'Committee'** means Committee of Board of Directors of the Company constituted under provisions of the Listing agreement and the Act.
- c) **'Board'** means Board of Directors of DLF Limited.
- d) **'Company'** means DLF Limited.
- e) **'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 the criteria for independence under the Act and the Listing Agreement.
- f) **'Material Subsidiary Company'** means a subsidiary of the Company which satisfies any of the following conditions:
 - (a) the investment of the Company in the subsidiary exceeds twenty per cent (20%) of its consolidated net worth as per the audited balance sheet of the Company for the previous financial year; or
 - (b) the subsidiary has generated twenty per cent of the consolidated income of the Company during the previous financial year.

- g) **'Material Non-listed Indian subsidiary'** means an unlisted subsidiary of the Company, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds twenty per cent (20%) of the consolidated income or net worth, respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- h) **'Policy'** means this Material Subsidiary Policy.
- i) **'significant transaction or arrangement'** 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.
- j) **'Subsidiary company'** or **'subsidiary'** means the company as defined under the accounting standards issued by the Institute of Chartered Accountant of India.
- k) **'Stock Exchanges'** means the stock exchanges where equity shares of the Company are listed.

Words and expressions not defined in this Policy shall have the same meaning as contained in the Listing Agreement or any other applicable laws or regulations.

4. Policy

4.1 Material Subsidiary Company

- A) Unless the divestment is made under a scheme of arrangement duly approved by a Court / Tribunal, the Company, without approval of the shareholders by way of a special resolution in a general meeting, shall not-
 - (i) dispose of shares in a Material Subsidiary Company which results in reduction in its shareholding (either on its own or together with other subsidiaries) in such Material Subsidiary Company to less than fifty percent (50%); or
 - (ii) cease the exercise of control over a Material Subsidiary Company.
- B) Selling, disposing and leasing of assets amounting to more than twenty percent (20%) of the assets of a Material Subsidiary on an aggregate basis

during a financial year shall require prior approval of shareholders by way of a special resolution, unless such sale/disposal/ lease is made under a scheme of arrangement duly approved by a Court/ Tribunal.

4.2 Material Non-listed Indian Subsidiary

One Independent Director on the Board of the Company shall be a Director on the board of directors of every Material Non-listed Indian Subsidiary.

4.3 Unlisted Subsidiary

- (a) The Audit Committee of the listed holding company shall also review the financial statements, in particular, the investments made by the unlisted subsidiary company.
- (b) The minutes of the Board meetings of the unlisted subsidiary company shall be placed at the Board meeting of the listed holding company. The management should on a quarterly basis bring to the attention of the Board of Directors of the Company, a statement of all Significant Transactions or Arrangements entered into by the unlisted Subsidiary Company.

5. Disclosure

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

6. Policy Review

- (a) This Policy is framed based on the provisions of Clause 49(V) of the Listing Agreement. In case of any changes in the provisions of the Listing Agreement or any other regulation which are inconsistent with the Policy, such amended provisions would prevail over the Policy.
- (b) In case of any interpretation issue on any matter relating to this Policy, the Audit Committee/ Board shall refer the same for legal opinion.
- (c) The Company Secretary and Chief Financial Officer jointly authorized to amend this Policy to be consistent with the prevailing provisions of the Listing Agreement, which shall be placed before the Audit Committee and Board for their approval.

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