



Infinite Computer Solutions (India) Limited

INFINITE COMPUTER SOLUTIONS (INDIA) LIMITED

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POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

1. Introduction

The Board of Directors ("Board") of Infinite Computer Solutions (India) Limited ("Company") has adopted the following policy with respect to the determination of Material Subsidiaries and related compliances.

This Policy will be applicable with effect from 1st October, 2014 and has been formulated in accordance with Clause 49 of the Listing Agreement with the Stock Exchanges (Clause 49).

2. Policy Objective

To determine Material Subsidiaries of the Company and to provide the governance framework for such subsidiaries and other subsidiaries.

3. Definitions

- i. "Audit Committee" means "Audit Committee" constituted by the Board of Directors of the Company from time to time under the provisions of the Companies Act 2013 ("the Act") and Clause 49 of the Listing Agreement with the Stock Exchanges.
- ii. "Board of Directors" means the "Board of Directors" of Infinite Computer Solutions (India) Limited, as constituted from time to time.
- iii. "Company" means Infinite Computer Solutions (India) Limited.
- iv. "Independent Director" means a Director of the Company, not being a managing or whole time director or nominee director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies the criteria of independence as prescribed under the Act and Clause 49.
- v. "Material non-listed Indian subsidiary"
- vi. It shall mean an unlisted subsidiary, incorporated in India, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the listed holding company & its subsidiaries in the immediately preceding accounting year.



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- vii. “Material Subsidiary”
- viii. A subsidiary shall be considered as material if the investment of the company in the subsidiary exceeds 20% of its consolidated net worth as per the audited balance sheet of the previous financial year or if the subsidiary has generated 20% of the consolidated income of the company during the previous financial year.
- ix. “Net Worth” shall mean “Net Worth” as defined under the Companies Act, 2013.
- x. “Non-Listed / Unlisted Indian Subsidiary” shall mean a subsidiary incorporated in India and not listed on the Indian Stock Exchanges.
- xi. “Policy” means this Policy, as amended from time to time.
- xii. “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.
- xiii. “Subsidiary” shall mean a subsidiary as defined under the Act and the rules made thereunder.
- xiv. Any other term not defined herein shall have the same meaning as defined in the Act, Listing Agreement, Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation.

4. PROVISION WITH REGARD TO SUBSIDIARY COMPANIES

- a. The Audit Committee of the company shall, periodically, review the financial statements, in particular, the investments made by the unlisted subsidiary companies.
- b. The minutes of the Board meetings of the unlisted subsidiary companies shall, periodically, be placed at the Board meeting of the company.
- c. The management should periodically 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.
- d. Subsidiary company shall not either by its own or through its nominees, holds any shares in its holding company & no holding company shall allot or transfer its shares to any of its subsidiary companies and any such allotment or transfer of shares of a company to its subsidiary company shall be void.

Nothing contained in this clause, shall apply to a case:-

- Where the subsidiary company holds such shares as the legal representative of a deceased member of the holding company; or
- Where the subsidiary company holds such shares as a trustee; or
- Where the subsidiary company is a shareholder even before it became a subsidiary company of the holding company.



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- e. The company shall not directly / indirectly purchase its own shares or other specified securities through any subsidiary company including its own subsidiary companies;
- f. The company shall include particulars of its subsidiary companies in its annual return;
- g. The company shall also attach along with its financial statement, a separate statement containing the salient features of the financial statement of its subsidiary or subsidiaries in the form as prescribed under the Act;
- h. The company shall, along with its financial statements to be filed with Registrar, attach the account of its subsidiary or subsidiaries which have been incorporated outside India & which have not established their place of business in India;
- i. The company shall place separate audited accounts in respect of each of its subsidiary on its website, if any & shall provide the copy of such audited financial statements to any shareholder of the company, who asks for it.

5. PROVISIONS WITH REGARD TO MATERIAL NON-LISTED INDIAN SUBSIDIARY & MATERIAL SUBSIDIARY COMPANIES

- a. At least one independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of a material non-listed Indian subsidiary company;
- b. The Audit Committee shall on an annual basis review the list of all subsidiary companies of the Company for determining/considering their materiality, as defined herein, and make suitable recommendations.
- c. The company shall not dispose of shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting except in cases where such divestment is made under a scheme of arrangement duly approved by a Court / Tribunal;
- d. The company shall not sell, dispose and lease of assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year without passing special resolution in its General Meeting unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court / Tribunal.

6. Amendment(s)

The Board of Directors may review or amend this policy, in whole or in part, from time to time, based on the recommendations of the Audit Committee as per the requirement of the Act or Clause 49 or any other statute.



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7. Disclosures

The Policy shall be disclosed on the Company's website and a weblink thereto shall also be provided in the Annual Report of the Company.

8. Interpretation

In the event of any conflict between the provisions of this Policy and the Act or Clause 49 or any other statutory enactments/ rules, the provisions of such Act or Clause 49 or statutory enactments shall prevail over this Policy.