

INTEGRATED CAPITAL SERVICES LIMITED

(CIN: L74899DL1993PLC051981)

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

1. Preamble:

The Board of Directors (the “Board”) of Integrated Capital Services Limited (“ICSL”) has adopted the following policy and procedures with regard to determination of Material Subsidiaries as defined below. The Board may review and amend this Policy from time to time.

2. Policy objective:

To determine the Material Subsidiaries of ICSL and to provide the governance framework for such material subsidiaries.

3. Definitions:

“**Audit Committee or Committee**” means Audit Committee of the Board of Directors of ICSL constituted under provisions of Listing agreement and Companies Act, 2013.

“**Board**” means the Board of Directors of ICSL.

“**Company**” means a company incorporated under the Companies Act, 2013 or under any previous company law.

“**Independent Director**” means a director of ICSL , not being a whole time director and who is neither a promoter nor belongs to the promoter group of ICSL and who satisfies other criteria for independence under the Companies Act, 2013 read with rules and the LODR Regulations .

“**Insolvency Code**” *shall mean the Insolvency and Bankruptcy Code, 2016 read with all rules and regulations framed in connection therewith.*

“**LODR Regulations**” mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“**Policy**” means this Policy on Material Subsidiary.

“**Material Subsidiary**” shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

“**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 subsidiary for the immediately preceding accounting year.

“**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. A company in which the Investment / Proposed Investment of ICSL, exceeds/ shall exceed 20% of ICSL’s consolidated net worth as per the audited balance sheet of the previous accounting year; or
 - b. Which have generated twenty per cent of the consolidated income of ICSL during the previous accounting year.

5. Requirements with respect to subsidiary of listed entity:

- i. At least one independent director on the board of directors of ICSL shall be a director on the board of directors of an unlisted Material Subsidiary, whether incorporated in India or not.
- ii. The minutes of the Board meetings of the unlisted Material Subsidiary shall be placed at the Board meeting of ICSL.
- iii. The management shall periodically bring to the attention of the Board of Directors of ICSL, a statement of all Significant Transactions or Arrangements entered into by the unlisted Material Subsidiary.
- iv. The Audit Committee of Board of ICSL shall review the financial statements, in particular, the investments made by the unlisted Material Subsidiary.
- v. ICSL and its unlisted Material Subsidiary incorporated in India shall undertake secretarial audit and shall annex a secretarial audit report given by a company secretary in practice, in such form as specified, with the annual report of ICSL.
- vi. ICSL shall submit a secretarial compliance report in such form as specified, to stock exchanges, within sixty days from end of each financial year

6. Disposal of Material Subsidiary:

- a. ICSL shall not dispose of shares in its Material Subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than or equal to fifty percent or cease the exercise of control over the Material 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, 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.

- b. In the event of selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the Material Subsidiary on an aggregate basis during a financial year, the same shall require prior approval of shareholders of ICSL by way of special resolution, unless the 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.

7. Disclosure(s):

ICSL shall disclose the policy on material subsidiary on ICSL's website.

8. Administration and Review of the Policy:

The Board shall be responsible for the interpretation, administration, review and amendment of this policy and may also establish further rules and procedures, from time to time, to give effect to this policy and to ensure governance of a Material Subsidiary.

In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which make any of the provisions in this Policy inconsistent with the Act or Regulations, then the provisions of the Act or regulations would prevail over this Policy and the provisions in this Policy would be modified in due course to make it consistent with requirements of law.