

INTEGRATED CAPITAL SERVICES LIMITED (ICSL)

POLICY ON MATERIAL SUBSIDIARIES

1. Preamble:

The Board of Directors (the “**Board**”) of Integrated Capital Services Limited (the “**Company** or “**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 Integrated Capital Services Limited (ICSL) and to provide the governance framework for such subsidiaries..

3. Definitions:

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

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

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

“**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 read with rules and the Listing Agreement with the Stock Exchanges from time to time.

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

“**Material Non listed Indian subsidiary**” shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the listed holding company 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 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.

“**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. In which the Investment of the Company/Proposed Investment, exceeds 20% of its 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 the Company during the previous accounting year.

5. Requirements with respect to subsidiary of listed entity:

- i. One **Independent Director** of the Company shall be a director on the Board of the Material Non-Listed Indian Subsidiary Company.

- ii. 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 periodically bring to the attention of the Board of Directors of the listed holding company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company.
- iii. The management shall 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.
- iv. The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary Company.

6. Disposal of Material Subsidiary:

The Company shall not:

- a) 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 50% percent 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.
- b) 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 shall require prior approval of shareholders by way of special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

7. Disclosure(s):

The Company shall disclose the policy on material subsidiary on the company's website and a web link thereto shall be provided in the Annual Report.

8. Amendments to the Policy:

The Board of Directors on its own and / or as per the recommendations of Audit Committee can amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time.