

VINSYS IT SERVICES INDIA LIMITED
(formerly known as Vinsys IT Services India Private Limited)

POLICY FOR DETERMINING MATERIAL
SUBSIDIARIES

PURPOSE AND SCOPE

The Policy for determining material subsidiaries has been framed in accordance with the provisions of Regulation 16(1)(c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the Listing Regulations).

The Policy will be used to determine the Material Subsidiaries of the Company and to provide the governance framework for such subsidiaries.

All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the Listing Regulations and in the absence of its definition or explanation therein, as per the Companies Act, 2013, (the Act) and the Rules, Notifications and Circulars made / issued thereunder, as amended, from time to time.

DEFINITIONS

“Audit Committee” means the Committee constituted by the Board of Directors of the Company in accordance with the provisions of the Companies Act, 2013, read with Rules thereof and the Listing Regulations, including its amendments thereof.

“Company” means Vinsys IT Services India Limited.

“Director” means a Director on the Board of the Company.

“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 Regulations, as may be amended from time to time.

“Subsidiary” shall have the same meaning as defined under the Companies Act, 2013 and the Rules made thereunder.

IDENTIFICATION OF MATERIAL SUBSIDIARY

A subsidiary shall be considered material if its income or net worth exceeds 10% of consolidated income or net worth, respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

GOVERNANCE FRAMEWORK

1. The Audit Committee of the Company shall periodically review the financial statements, in particular, the investments made by the unlisted subsidiary company.
2. The minutes of the Board Meetings of the unlisted subsidiary company shall be placed before the Board of Directors of the Company.
3. The management of the unlisted subsidiary 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.

Explanation: A transaction or arrangement shall be considered significant if it exceeds or is likely to

exceed 10% of total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding financial year.

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

For the purpose of this provision, notwithstanding anything contained to the contrary contained in Clause above, 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 financial year.

5. The Company shall obtain prior approval of the shareholders of the Company, by way of a special resolution, if the disposal of shares in its material subsidiary (either on its own or together with other subsidiaries) results in reduction of its shareholding, to less than 50% or the Company ceases the exercise of control over such subsidiary.

Such approval shall not be required if the disinvestment is:

- 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.

6. The Company shall obtain prior approval of the shareholders of the Company, by way of a special resolution, if any sale, disposal or leasing of assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year.

Such approval shall not be required, if such sale, disposal or lease of asset is:

- 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. Every material unlisted subsidiary incorporated in India shall undertake secretarial audit and the secretarial audit report shall be annexed with the annual report of the Company.

POLICY REVIEW

The Policy shall be subject to review as may be deemed necessary and in accordance with any regulatory amendments.

DISCLOSURES

This Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the Annual Report.

AMENDMENTS

The Company reserves the right to make amendments to Policy for determining material subsidiaries.