



INFIBEAM AVENUES LIMITED
(Formerly known as Infibeam Incorporation Limited)

[CIN: L64203GJ2010PLC061366]

**POLICY FOR DETERMINING MATERIAL
SUBSIDIARIES**

[Amended w.e.f. April 01, 2019]

1. INTRODUCTION:

The Board of Directors of Infibeam Avenues Limited (Formerly known as Infibeam Incorporation Limited) ("**the Company**") adopted the following policy and procedures with regard to determination of Material Subsidiaries.

2. OBJECTIVE:

Under Regulation 16(c) of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**the Listing Regulations**"), the Company is required to formulate a Policy for determining Subsidiaries. The objective of this Policy is to determine the Material Subsidiaries of the Company in compliance with the aforesaid regulatory requirements.

3. DEFINITIONS:

- i. "**Accounting Year**" means the Financial Year of the Company as prevailing from time to time. The Financial Year of the Company commences from 1st April every year and concludes on 31st March of the immediately succeeding year.
- ii. "**Act**" means the Companies Act, 2013 as prevailing from time to time.
- iii. "**Audit Committee**" means the committee constituted by the Board of Directors of the Company in accordance with section 177 of the Act and Regulation 18 of Chapter IV of the Listing Regulations.
- iv. "**Board of Directors**" or "**Board**" means the Board of Directors of the Company.
- v. "**Holding Company**" in relation to one or more other companies, means a Company of which such companies are Subsidiary Company, i.e. "**Infibeam Avenues Limited**" (Holding Company).
- vi. "**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 Independent Director under section 149(6) of the Act and the Listing Regulations.
- vii. "**Policy**" means this Policy for determining Material Subsidiaries.
- viii. "**Material Subsidiary**" shall have the meaning as defined in regulation 16(1) (c) of the Listing Regulations, as per which, it means a subsidiary, whose income or net worth exceeds ten percent of its consolidated income or net worth, respectively, as per the audited financial statement of the Company and its subsidiaries in the immediately preceding financial year.
- ix. "**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.

- x. **"Subsidiary Company"** or **"Subsidiary"** means a subsidiary as defined under sub-section (87) of Section 2 of the Companies Act, 2013
- xi. **"Unlisted Subsidiary Company"** shall mean any subsidiary of the Company which is not listed on the Stock Exchanges in India provided that where this term is defined (whether by way of definition, clarification or explanation) under the Regulations, it shall have the meaning as per such definition.
- xii. **"Material non listed Indian Subsidiary"** shall means an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds ten percent of its consolidated income or net worth, respectively, as per the audited financial statement of the Company and its subsidiaries in the immediately preceding financial year.

4. POLICY:

In determining whether or not a subsidiary of the Company is or has become a material subsidiary, the Company shall be guided by and follow this Policy and the applicable provisions of the Regulations. Where there is conflict between this Policy and the Regulations, the provisions of the Regulations shall prevail in making such determination.

Notwithstanding anything to the contrary that may be contained in this Policy, the provisions of this Policy shall be subject to the applicable provisions of the Regulations, as amended from time to time.

i) Review of Financial Statements:

The Audit Committee shall review the Financial Statements, in particular, the investments made by the Unlisted Subsidiary Company.

ii) Minutes:

The minutes of the Board Meetings of the Unlisted Subsidiary Company shall be placed at the Board Meeting of the Company on a quarterly basis.

iii) Significant Transactions and Arrangements:

The management shall on a quarterly basis, 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) Independent Director:

At least one Independent Director on the Board of Directors of the Company shall be a Director on the Board of Directors of an Unlisted Material Subsidiary, incorporated in India or not.

Explanation - For the purposes of point no. iv, “**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.

v) Disposal of Shareholding in or Control over or Assets of a Material Subsidiary:

The company shall seek prior approval of the Shareholders by Special Resolution for the following:

- a) Disposing of shares of the Company’s Material Subsidiary, which would reduce the Company’s shareholding (either on its own or together with other subsidiaries) to less than 50% or which would cease the exercise of control over the subsidiary;
- b) Selling, disposing and leasing of assets amounting to more than twenty per cent of the assets of the Material Subsidiary on an aggregate basis during a financial year;

Provided however that the requirement of seeking such approval of shareholders shall not apply where any of the actions under (a) or (b) above are taken or made under a Scheme of Arrangement duly approved by a Court/Tribunal.

vi) Secretarial Audit:

Material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report with effect from the year ended on March 31, 2019.

5. ANNUAL REVIEW TO DETERMINE MATERIALITY OF SUBSIDIARIES:

For the purpose of complying with the requirements of this Policy, the Audit Committee shall review on an annual basis the criteria of materiality as per this Policy, applicable to the Company’s subsidiaries.

6. DISCLOSURES:

The Company shall comply with such disclosure requirements relating to this Policy as may be stipulated under the Regulations, as per which, this Policy shall be uploaded on the website of the Company at www.ia.ooo and a web link thereto shall be provided in the Company’s Annual Report.

7. REVIEW:

This Policy shall be reviewed by the Board as and when required. While doing so, the Board shall take into consideration the recommendations, if any, of the Audit Committee. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provision hereunder till the time the Policy is suitably amended.
