



## **Integrated Personnel Services Limited**

# **POLICY FOR DETERMINING MATERIAL SUBSIDIARIES**

### **1. INTRODUCTION**

Securities Exchange Board of India (“SEBI”) (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) pursuant to Regulation 16 (1) (c) requires every listed company to formulate a policy for determining a “material” subsidiary and publish such policy under a separate section on its website.

Accordingly, the Board of Directors (the “Board”) of the Company has adopted the policy and procedures for determining ‘material’ subsidiary companies (“Policy”) in accordance with the provisions of Regulation 16 (1) (c) of Listing Regulations.

### **2. ABOUT THE COMPANY**

Integrated Personnel Services Limited incorporated in 2004 is engaged in providing service of Human Resources Management through its Wholly Owned Subsidiary (WOS) IPS Vantage Tech Services Limited incorporated in 2008.

### **3. APPLICABILITY**

This Policy applies to transactions between the Listed Company and its Material Subsidiary as defined under Regulation 16 (1) (c) of Listing Regulations.

### **4. OBJECTIVE OF THE POLICY**

The objective of this Policy is to determine:

- Meaning of Material Subsidiary;
- Requirement of Independent Director in certain unlisted material subsidiaries, incorporated in India or not;
- Restriction on disposal of shares of Material Subsidiary by the Company;
- Restriction on transfer of assets of Material Subsidiary and
- Disclosure requirements, under the Listing Regulations, as amended and any other laws and regulations as may be applicable to the Company.

## **5. DEFINITIONS:**

- a. **“Act”** means the Companies Act, 2013
- b. **“SEBI Listing Regulations”** means SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended from time to time.
- c. **“Board”** or **“Board of Directors”** shall mean the Board of Directors of the Company.
- d. **“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 the Listing Regulations.
- e. **“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 Act and the Listing Regulations.
- f. **“Company”** means Integrated Personnel Services Limited.
- g. **“Material Subsidiary”** under Regulation 16 (1) (c) of Listing Regulations mean a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.
- h. **“Net Worth”** means net worth as defined in Section 2(57) of the Companies Act, 2013 read with Regulation 2(1)(s) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any modifications, amendments, clarifications, circulars or re-enactments thereof.
- i. **“Unlisted Subsidiary”** means subsidiary whose securities are not listed on any recognized Stock Exchanges.
- j. **“Subsidiary”** shall be as defined under the Act and the rules made thereunder.
- k. **“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 unlisted subsidiary for the immediately preceding accounting year”.

## **6. MANNER OF DETERMINING MATERIAL SUBSIDIARIES**

The Company shall, on formation or becoming of a Subsidiary, at the end of every year, determine whether the Subsidiary falls under the criteria for Material Subsidiary as defined above. In case the Subsidiary falls under such criteria, the same is to be reported to the Board for its noting at the first instance.

## **7. GOVERNANCE FRAMEWORK**

- a. The Audit Committee shall also review the financial statements, in particular, the investments made by the unlisted subsidiary of the Company.
- b. The minutes of the Board meetings of the unlisted subsidiary company shall be placed at the Board

meeting of the Company at regular intervals.

c. The Board shall be provided periodically with a statement of all significant transactions and arrangements entered into by the unlisted subsidiary Company.

d. At least one Independent Director of the Company shall be a director on the board of the unlisted material subsidiary whether incorporated in India or not.

e. 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.

## **8. DISPOSAL OF MATERIAL SUBSIDIARY**

The Company shall not:

a. 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 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. 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 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 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.

## **9. REVIEW OF THE POLICY**

The Board of Directors reserves the power to review and amend this policy from time to time as may be deemed necessary as per any regulatory amendments. In the event of any conflict between the provisions of this Policy and of the Act or Regulations or any other statutory enactments, rules, the provisions of such Act or Regulations or statutory enactments, rules shall prevail over this Policy.

## **10. WEBSITE**

This Policy shall be disclosed on the website of the Company.

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