

**GENESYS INTERNATIONAL CORPORATION LIMITED POLICY FOR
DETERMINING MATERIAL SUBSIDIARIES**

☐ **TITLE:**

This policy shall be called, Policy for determining Material Subsidiaries“.

☐ **COMMENCEMENT:**

This policy is framed in accordance with the Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations") (including any amendments thereof) and is intended to ensure governance of material subsidiary companies.

☐ **POLICY OBJECTIVE :**

To determine the Material Subsidiaries of Genesys International Corporation Limited and to provide the governance framework for such subsidiaries.

☐ **DEFINITIONS:**

- a. "Board" means the Board of Directors of GICL, as constituted from time to time.
- b. "Company" means Genesys International Corporation Limited.
- c. "Policy means this Policy, as amended from time to time.
- d. "Audit Committee or Committee" means "Audit Committee" constituted by the Board of Directors of the Company, from time to time, under provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges and The Companies Act, 2013.
- 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 Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- f. "Significant Transaction or Arrangement" shall mean any individual

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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.

- h. "Subsidiary" shall be as defined under the Companies Act, 2013 and the Rules made thereunder.

☐ **POLICY:**

- a. A subsidiary shall be considered as material if 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.

- b. At least one Independent Director on the board of directors of the listed entity shall be a director on the board of directors of an unlisted material subsidiary, whether incorporated in India or not.

Explanation- For the purposes of this provision, notwithstanding anything to the contrary contained in regulation 16, the term "material subsidiary" shall 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.

- c. The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary Company on an annual basis.
- d. The minutes of the Board Meetings of the Unlisted Subsidiary Companies shall be placed before the Board of the Company on an half yearly basis.
- e. The management shall on a half yearly 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.

- f. The management shall periodically bring to the attention of the Audit

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Committee and Board of Directors of the Company, a statement of all significant transactions & arrangements entered into by the unlisted subsidiary company;

- g. 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.
- h. 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.

POLICY REVIEW:

- a. This policy is framed pursuant to the provisions of the Companies Act 2013 and rules thereunder and the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- b. In case of any subsequent changes in the provisions of the Companies Act 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

AMENDMENTS:

This policy shall be reviewed by the Audit Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification on the policy as recommended by the Committee would be given for approval of the Board of Directors.

Note: This policy has been amended and approved by the Board of Directors at their meeting held on 29th March, 2019.

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