

POLICY FOR DETERMINING MATERIAL SUBSIDIARY OF THE COMPANY

Introduction:

In view of the revised Clause 49 of the Listing Agreement, this policy is devised to determine which of the subsidiary Company(s) will fall under the category of ‘material’ subsidiary of the Company and accordingly comply with Clause 49 relating to material subsidiary Company.

Definition:

Material Subsidiary:

A subsidiary shall be considered as material if the investment of the company in the subsidiary exceeds twenty per cent of the consolidated net worth as per the audited consolidated balance sheet of the previous financial year or if the subsidiary has generated twenty per cent of the consolidated income of the company during the previous financial year.

Based on the above mentioned criteria IT Capital Services Private Limited is not a material subsidiary of the Company. The detail is as under:

Amount INR in Lakhs (Based on previous financial year ended 31st March, 2014)

Name of the Subsidiary	Criteria I		Criteria II		Whether a material subsidiary
	Investment of the Company in subsidiary	20% of Consolidated Net Worth of the Company*	Contribution of subsidiary towards consolidated income of the Company	20% of consolidated turnover of the Company**	
IT Capital Services Private Limited	1997.58	2394.70	0	509.89	No

* Consolidated Net Worth of the Company: INR 11973.52 lakhs

** Consolidated turnover of the Company: INR 2549.43 lakhs

Compliance for 'material' subsidiary (if any):

1. 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**.
2. The selling, disposing and leasing of assets amounting to more than 20% of the assets of the material subsidiary shall require prior approval of shareholders of the Company by way of special resolution.

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