



**AXIS SOLUTIONS LIMITED**  
(Formerly known as Asya Infosoft Limited)

**Policy for Determining Material Subsidiaries**

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## 1. INTROUDUCTION

Material Subsidiary Policy (hereinafter referred to as the "**Policy**" or "**this Policy**") has been framed and adopted by Axis Solutions Limited (Formerly Known as Asya Infosoft Limited) (hereinafter referred to as the "**Company**") has been framed in accordance with the regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (hereinafter referred to as "**Listing Regulations**").

The Audit Committee will review this policy periodically and may amend the same from time to time, as may be deemed necessary.

## 2. OBJECTIVES

The objectives of this policy is to provide the governance framework in relation to such subsidiaries and to determine:

- a) The meaning of Material Subsidiary;
- b) The requirement to appoint independent Director in Material Subsidiary;
- c) Restriction on disposal of shares of a Material Subsidiary by the Company;
- d) Restriction on transfer of assets of Material Subsidiary by the Company;
- e) Secretarial audit by Material Unlisted Subsidiaries incorporated in India; and
- f) Disclosure requirements under the Listing Regulations and any other laws and regulations as may be applicable to the Company.

## 3. DEFINITION

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

"**Board of Directors**" or "**Board**" means the Board of Directors of Axis Solutions Limited, as constituted from time to time.

"**Company**" means Axis Solutions Limited.

"**Independent Director**" means a director of the Company, not being a whole time director and who is neither a promoter nor belong to the promoter group of the Company and who satisfies other criteria for independence under the Act and the SEBI Listing Regulations.

"**Policy**" means this policy, as amended from time to time.

"**Subsidiary**" shall mean a subsidiary as defined under the Act and the Rules made thereunder.



#### **4. POLICY**

For the purpose of this Policy, unless otherwise specifically stated, "material subsidiary" shall mean a subsidiary, whose turnover or net worth exceeds 10% of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

A list of such Material Subsidiaries shall be presented to the Audit Committee annually for its noting.

#### **5. REQUIREMENT REGARDING MATERIAL SUBSIDIARY**

The Company shall not:-

- Dispose shares in the material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than or equal to 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 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 exchange within one day of the resolution plan being approved.
- Sell, dispose and lease the assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year, without prior approval of shareholders by way of special resolution in its General Meeting 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.

Every unlisted material subsidiaries of the Company incorporated in india shall undertake secretarial audit and shall annex with annual report, a secretarial audit report, given by a Company Secretary in Practice.

The Company Shall:-

- appoint at least one independent Director of the Company as a Director on the Board of the unlisted material subsidiary company, whether incorporated in India or not. Notwithstanding anything contained in this policy, only for the specific purpose of this requirement, the term "material subsidiary" shall mean a subsidiary, whose turnover or net worth exceeds twenty percent of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

#### **6. PROVISION WITH REGARD TO SUBSIDIARY COMPANIES**



- The Audit Committee of the listed holding company shall also review the financial statement, in particular the investment made by the unlisted subsidiary company;
- The minutes of the Board meetings of the unlisted subsidiary company shall be placed at the Board meeting of the listed holding company;
- The management of the unlisted subsidiary shall periodically bring to the notice of the Board of Directors of the listed holding company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company;

For the purpose of this requirement "Significant transaction or arrangement" shall mean such transaction or arrangement as defined in Regulation 24 of the SEBI Listing Regulations.

- Pursuant to the Regulation 30 of the SEBI Listing Regulations, the Company shall disclose all events or information with respect to subsidiaries which are material for the listed entity.

## **7. AMENDMENT**

The Board may, subject to applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision (s) or replace the policy entirely with a new policy, based on the recommendation of the Audit Committee.

The Board may also establish further rules and procedures, from time to time, to give effect to this Policy and to ensure governance of material subsidiary companies.

## **8. SCOPE AND LIMITATION**

In the event of any conflict between the provisions of this Policy and the SEBI Listing Regulations and the Act or any other statutory enactments, rules, the provisions of such SEBI Listing Regulations or the Act or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment/modification to the applicable law shall automatically apply to this policy.

## **9. DISSEMINATION OF POLICY**

This Policy shall be hosted on the website of the Company and web-link thereto shall be provided in the Annual Report of the company.

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