



FX MULTITECH LIMITED

(Earlier Known as FX MULTITECH PRIVATE LIMITED)
CIN NO: U52100GJ2008PLC053391

POLICY FOR DETERMINING MATERIAL SUBSIDIARY

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(As approved in Board meeting dated 03.06.2025)

1. Purpose and Scope:

The Policy is framed by the Company pursuant to the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR")

The Policy will be used to determine the Material Subsidiaries of the Company and to provide the governance framework for such subsidiaries. -

2. Definitions:

- (i) "Act" means the Companies Act, 2013 including any statutory modification or re-enactment thereof.
- (ii) Audit Committee means the Committee of the Board formed under Section 177 of the Act.
- (iii) Company means FX Multitech Limited.
- (iv) "Holding Company" is as defined under clause 2(46) of the Act.
- (v) "Independent Director" means a director of the Company, not being a wholetime 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 Agreement with the Stock Exchanges.
- (vi) "Subsidiary Company" is as defined under clause 2(87) of the Act.
- (vii) The term "material subsidiary" shall mean a subsidiary, whose income or net worth exceeds ten percent (10%) of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.
- (viii) The term "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 material unlisted subsidiary for immediate preceding accounting year. Any other term not defined herein shall have the same meaning as defined in the Act, the Listing Agreement, Securities Contract Regulation Act or any other applicable law or regulation.

3. Policy

- a)** A subsidiary shall be a “Material” subsidiary, if:
 - i) whose income exceeds ten percent of the consolidated income, of the listed entity and its subsidiaries in the immediately preceding accounting year.
 - ii) whose net worth exceeds ten percent of the consolidated net worth, 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 clause the term “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.

4. Governance framework:

- i. The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary Company.
- ii. The minutes of the Board Meetings of the Unlisted Subsidiary Companies shall be placed before the Board of the Company.
- iii. The management shall periodically 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. One Independent Director of the Company shall be a director on the Board of the Material Subsidiary Company.
- v. The management shall present to the Audit Committee annually the list of such subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board.
- vi. The material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice.

5. Disposal of Material Subsidiary:

The Company, without the prior approval of the members by Special Resolution in its General Meeting, shall not:

- a) 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, except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal.
- b) Sell, dispose and lease assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

6. Disclosure

The Policy on Material Subsidiary shall be disclosed on the website of the Company at www.fxmultitech.com and a web link thereto shall be provided in the Annual Report of the Company.

7. Amendment

The Board shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy.

8. Interpretation

Any words used in this Policy but not defined herein shall have the same meaning as described to it in the Act or Rules made thereunder, SEBI Act or Rules and Regulations made thereunder, SEBI (LODR) or any other relevant legislation / law applicable to the Company.

9. Review and Changes to this Policy

- i. The Audit Committee will review this Policy as often as it considers necessary;
- ii. The Board may change this Policy from time to time as it considers necessary.
- iii. This Policy shall be subject to review as may be deemed necessary as per any regulatory amendments.
