



## **FX MULTITECH LIMITED**

(Earlier Known as FX MULTITECH PRIVATE LIMITED)

Reg. Office: C-907, 908 Titanium Square, Thaltej Cross Road, Thaltej,  
Ahmedabad, Gujarat - 380054 India

CIN NO: U52100GJ2008PLC053391

Email Id: [accounts@fxmultitech.com](mailto:accounts@fxmultitech.com) | Phone no: +91 7984689172

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## **POLICY ON MATERIALITY POLICIES**



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This policy (“**Policy**”) has been formulated to define the materiality policy for identification of group companies, litigation, and outstanding dues to creditors in respect of FX Multitech Limited (Formerly known as FX Multitech Private Limited) (“**Company**”) for the purposes of relevant disclosure in the Offer Documents (*as defined herein below*) pursuant to the requirements under Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended from time to time) (“**SEBI ICDR Regulations**”).

This Policy shall be effective from the date of its approval, i.e. 26.11.2025 by the Board of Directors of the Company (“**Board**”).

### **Identification of ‘Material’ Group Companies:**

#### *Requirement:*

As per the requirements of the SEBI ICDR Regulations, “**Group Companies**”, wherever this term occurs, shall include:

- (i) all companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed in Offer Document (as covered under the applicable accounting standards); and
- (ii) any other companies as considered material by the board of directors (“**Board**”).

The policy on materiality for determination of such companies as considered material by the Board, as below, shall be disclosed in the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus issued by the Company in accordance with the provisions of the SEBI ICDR Regulations for the initial public offering of its equity shares (“**Offer Document**”).

#### *Policy on materiality:*

A company shall be considered material and disclosed as ‘Group Company’, if a company has entered into one or more related party transactions with our Company during the period for which financial information is disclosed in Offer Document.

Based on the above policy of materiality and SEBI (ICDR) requirement the following Company is identified as Group Company of our Company:

Frascold India Pvt Ltd (CIN: U51505GJ2012PTC069836)

**Business activity of the Group Company:** Frascold India serves the Indian and Middle Eastern markets with energy-efficient refrigeration and air conditioning equipment.

**Compressors:** They offer a wide range of semi-hermetic reciprocating and screw compressors, including two-stage, built-in inverter, and compact twin-screw models.

**Condensing Units:** Assembly of specialized air-cooled condensing units (LBT and LBT2 series).

**Rack Solutions:** Customizable refrigeration racks (piston and screw) designed for warehouse and cold storage applications to improve energy efficiency.



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**Support & Training:** The Ahmedabad site includes a Frascold Competence Center and a training area equipped to simulate real-world refrigeration systems for technical education

| Sr No. | Name of the Promoters of Group Company | Sr No. | Name of the Directors of Group Company |
|--------|--|--------|--|
| 1.     | Subhash Agarwal                        | 1      | Subhash Moolchand Agarwal              |
| 2      | Selvaraj Rangaswamy                    | 2      | Selvaraj Rangaswamy                    |
| 3      | Frascold SPA-Holding Company           | 3      | Lamberto Luigi Guzzetti                |
|        |  | 4      | Giuseppe Galli                         |
|        |  | 5      | Massimo Nava                           |

### Shareholding of the Group company as on the date of this Policy:

| Name of Shareholder          | No of shares held | Percentage |
|------------------------------|-------------------|------------|
| Subhash Agarwal              | 245000            | 24.50%     |
| R. Selvaraj                  | 245000            | 24.50%     |
| Frascold SPA-Holding Company | 510000            | 51.00%     |
| Total                        |                   | 100%       |

### Details of last 3 FY of the Group Company:

| Particulars                            | For the financial year ended |                |                |
|--|------------------------------|----------------|----------------|
|  | March 31, 2025               | March 31, 2024 | March 31, 2023 |
| Equity Share capital(INR in Lacs)      | 10,000                       | 10,000         | 10,000         |
| Net Worth(INR in Lacs)                 | 1069.50                      | 793.36         | 601.37         |
| Revenue from operations(INR in Lacs)   | 4161.20                      | 3612.78        | 2464.54        |
| Profit / (Loss) After Tax(INR in Lacs) | 276.14                       | 191.99         | 501.37         |
| Basic earnings per Share               | 27.61                        | 19.20          | 10.02          |
| Diluted earnings per Share             | 27.61                        | 19.20          | 10.02          |
| Net Asset Value per Share              | 1.07                         | 0.79           | 0.60           |
| Total Borrowings (INR in Lacs)         | 35.10                        | 44.06          | 19.78          |



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For the avoidance of doubt, it is clarified that the above policy on materiality shall be without prejudice to any disclosure requirements, which may be prescribed by SEBI and/or such other applicable authority with respect to listed companies and that the above policy on materiality is solely from the perspective of disclosure requirements prescribed under the SEBI ICDR Regulations with respect to the Offer Documents and should not be applied towards any other purpose.

### **Identification of 'Material' Litigation (excluding criminal proceeding, statutory/regulatory actions and taxation matters):**

#### *Requirement:*

As per the requirements of SEBI ICDR Regulations, the Company shall disclose all the litigations involving the Company/its directors/promoter/group companies/subsidiaries in relation to:

- (i) All criminal proceedings;
- (ii) All actions by statutory and regulatory authorities;
- (iii) Taxation – Separate disclosures regarding claims related to direct and indirect taxes, in a consolidated manner giving details of number of cases and total amount;
- (iv) Other pending litigations - as per the policy of materiality defined by the Board of the Company and disclosed in the Offer Documents (as disclosed herein below).
- (v) Outstanding litigation involving the Group Companies, which may have a materiality impact on the company, as applicable

Additionally, in terms of the SEBI ICDR Regulations, the Company is required to disclose any disciplinary action (including a penalty) imposed by SEBI or any of the stock exchanges against any of the Promoters in the five financial years preceding the relevant Offer Document, including any outstanding action;

#### ***Policy on materiality:***

For the purposes of (iv) above the threshold is **Rs. 30.51 Lakhs** which is lower of the below (1) and (2) ("Material Threshold"):

##### **(1) Board approved materiality threshold:**

In terms of Materiality Policy adopted by the Board of Directors, pending litigation would be considered 'material' if the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of 10% of the total revenue from operations of the company as per latest annual Restated Consolidated Financial Statements i.e. for the financial year ended March 31, 2025, which amounts to **Rs. 1020.06 Lakhs**;

##### **(2) Materiality Threshold under SEBI ICDR Regulations**

As per SEBI ICDR Regulation, a litigation shall be considered material if the value or expected impact in terms of value exceeds the lower of the following:



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- (a) two percent of turnover, as per the latest annual restated consolidated financial statements of the Company, which amounts to **Rs. 204.01 Lakhs**; or
- (b) two percent of net worth, as per the latest annual restated consolidated financial statements of the Company, except where the arithmetic value of the net worth is negative, which amounts to **Rs. 52.63 Lakhs**; or
- (c) five percent of the average of absolute value of profit or loss after tax, as per the last three annual restated consolidated financial statements of the Company, which amounts to **Rs. 30.51 Lakhs\***.

*\*For this purpose of computing the threshold under clause (c) above, the consolidated financial statements for FY 2024-25 and the standalone financial statements for FY 2023-24 and FY 2022-23 have been considered, as the consolidated financial statements are not applicable to the Company for the FY 23-24 and FY 22-23.*

For the purpose of clause (c) above, it is clarified that the average of absolute value of profit or loss after tax is to be calculated by disregarding the ‘sign’ (positive or negative) that denotes such value.

Any monetary liability which is neither quantifiable, nor fulfils the threshold as specified above, but the outcome of which could, nonetheless, directly or indirectly, or together with similar other proceedings, have a material adverse effect on the business, operations, results of operations, prospects, financial position or reputation of the Company.

All criminal proceedings involving key managerial personnel and senior management personnel of the issuer and also the actions initiated by regulatory authorities and statutory authorities against such key managerial personnel and senior management personnel of the issuer shall also be disclosed.

It is clarified that the above policy on materiality shall be without prejudice to any disclosure requirements, which may be prescribed by SEBI and/or such other governmental authority with respect to listed companies and that the above policy on materiality is solely from the prospective of disclosure requirements prescribed under the SEBI ICDR Regulations with respect to the Offer Documents and should not be applied towards any other purpose.

Furthermore, the above policy on materiality shall be without prejudice to the disclosure requirements prescribed under the Companies Act, 2013 and the rules thereunder with respect to disclosure of litigation, notices, disputes, and other proceedings in the Offer Documents.

### **Identification of ‘Material’ Creditors:**

*Requirement:*

As per the requirements of SEBI ICDR Regulations, the Company shall make relevant disclosures in the Offer Documents for outstanding dues to creditors:

- (i) based on the Policy on materiality of the Board and as disclosed in the Offer Documents, disclosure for such creditors;
- (ii) consolidated information on outstanding dues to small scale undertakings and other creditors, separately giving details of number of cases and amount involved;
- (iii) complete details about outstanding dues to creditors as per (i) and (ii) above shall be disclosed on the webpage of the company with a web link thereto in the Offer Documents.



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### ***Policy on materiality:***

The Company shall make relevant disclosures in the Offer Documents for such creditors as referred hereunder:

In accordance with our Company's materiality policy, creditors to whom an amount due is equal to or exceeds 5% of the total trade payables as per the latest Restated Consolidated Financial Statements i.e. June 30, 2025 of the Company were considered as 'material' creditors.

As per Restated Consolidated Financial Statements, the total trade payables of our Company as on June 30, 2025 were **Rs. 1,764.46 Lakhs**. Accordingly, a creditor has been considered 'material' if the amount due to such creditor is equal to or exceeds **Rs. 88.22 Lakhs** as on June 30, 2025. As on June 30, 2025, there are 2 creditors to each of whom our Company owes amounts exceeding 5% of our Company's total trade payables and the aggregate outstanding dues to them being **Rs 1248.48 Lakhs**.

As per the above materiality policy, the outstanding amount owned to Micro, small and Medium Enterprises (MSME), creditors other than MSME and material creditors as on June 30, 2025, by our Company is as follows:

| Particulars                                 | Number of Cases | Amount Involved<br>(₹ in Lakhs) |
|---|-----------------|---------------------------------|
| Micro, Small and Medium Enterprises (MSME)* | -               | -                               |
| Creditors other than MSME                   | 86              | 1764.46                         |
| Material Creditors**                        | 2               | 1248.48                         |

*\*Entities that are identified as "Micro, Small and Medium Enterprises"(MSME) under the Restated Consolidated Financial Statements as on June 30, 2025 are considered as micro, small and medium enterprises.*

*\*\* All our material creditors form part of creditors falling under the category of MSME and creditors other than MSME. Hence, this amount forms part of the amounts due to MSME creditors and other than MSME creditors.*

The details pertaining to amounts due towards material creditors are available on the website of our Company at [www.fxmultitech.com](http://www.fxmultitech.com)

### **Review of the Materiality policy**

The Policy shall be subject to review/changes as may be deemed necessary and in accordance with regulatory amendments from time to time.

Place: Ahmedabad

Date: 26.11.2025