



Fusion CX Limited

Policy for Determining Material Subsidiaries

Document Control Information

Regulatory Framework	Pursuant to Regulation 16(1)(c) and Regulation 24(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended
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Corporate Details	Fusion CX Limited (CIN: U72900WB2004PLC097921) Plot No. Y9, Block EP & GP, Sector-5, Bidhan Nagar, Salt Lake, Kolkata, KOLKATA, West Bengal, India, 700091
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1 Preamble and Objective

This policy (the “Policy”) has been adopted by the Board of Directors (“Board”) of Fusion CX Limited (“Company”) in compliance with Regulation 16(1)(c) and Regulation 24(1) of the SEBI Listing Regulations. The Policy outlines Fusion CX’s commitment to ensuring effective governance and compliance in determining and managing its Material Subsidiaries. This Policy aims to define the criteria for determining Material Subsidiaries of the Company and establish a governance framework for such subsidiaries to ensure compliance with applicable laws and regulations. It further aims to protect the Company's and its stakeholders' interests by ensuring robust oversight and governance mechanisms.

2 Definitions

For the purpose of this Policy, unless the context otherwise requires:

- **“Accounting Year”**: The financial year commencing on April 1 and ending on March 31 of the subsequent year.
- **“Audit Committee”**: The committee constituted by the Board under Section 177 of the Companies Act, 2013, and Regulation 18 of SEBI Listing Regulations.
- **“Board”**: The Board of Directors of the Company.
- **“Material Subsidiary”**: A subsidiary of the Company whose:
 - Net worth exceeds 10% of the consolidated net worth of the Company and its subsidiaries, or
 - Income exceeds 10% of the consolidated income of the Company and its subsidiaries, as per the audited financial statements of the preceding accounting year.
- **“Policy”**: This Policy for Determining Material Subsidiaries.
- **“Significant Transaction or Arrangement”**: Any individual transaction or arrangement that exceeds 10% of the total revenues, expenses, assets, or liabilities of the Material Subsidiary during the preceding accounting year.
- **“Subsidiary”**: As defined under Section 2(87) of the Companies Act, 2013.
- **“Unlisted Subsidiary”** shall mean a Subsidiary of the Company whose shares are not listed on any recognized stock exchange in India.

Any other term not defined herein shall have the same meaning as defined in the Act, Listing Regulations, Securities Contracts (Regulation) Act, 1956 or any other applicable law.



3 Scope

This Policy applies to the governance of Material Subsidiaries of the Company, ensuring compliance with regulatory requirements, reporting obligations, and effective oversight. It provides a framework for evaluating subsidiaries against defined materiality criteria and delineates roles and responsibilities for monitoring their operations and transactions.

4 Criteria for Determining Material Subsidiaries

A subsidiary shall be considered “Material” if it satisfies either of the following conditions:

- Its net worth exceeds 10% of the consolidated net worth of the Company and its subsidiaries during the immediately preceding accounting year.
- Its turnover exceeds 10% of the consolidated turnover of the Company and its subsidiaries during the immediately preceding accounting year.

The materiality threshold shall be assessed annually based on the audited financial statements of the Company.

5 Governance Framework

5.1 Requirement Regarding Material Subsidiary

The Company, without passing a special resolution in its General Meeting, shall not: -

1. dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50% (fifty percent) 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, 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.
2. sell, dispose and lease assets amounting to more than 20% (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, 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.

5.2 Additional Requirement For Material Non-Listed Subsidiary

At least one Independent Director on the Board of the Company shall be a director on the board of an unlisted material subsidiary company whether incorporated in India or not.

Only for the purposes of this requirement, “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds 20% (twenty percent) of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

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 including recommendation for appointment of Independent Director in the material unlisted Subsidiary.

5.3 Requirements Regarding Unlisted Subsidiary Company

The Audit Committee of the Company shall also review the financial statements, in particular, the investments made by the Unlisted Subsidiary.

The minutes of the board meetings of the Unlisted Subsidiary shall be placed at the Board meeting of the Company.

The Board shall be provided periodically with a statement of all Significant Transactions or Arrangements entered into by the Unlisted Subsidiary.

1. **Independent Director Requirements:** At least one Independent Director of the Company shall be appointed as a director on the board of unlisted Material Subsidiaries, whether incorporated in India or abroad.
2. **Audit Committee Oversight:**
 - Review the financial statements and investments of unlisted Material Subsidiaries.
 - Periodically receive reports on Significant Transactions or Arrangements.
3. **Board Oversight:**



- Minutes of board meetings of unlisted Material Subsidiaries shall be placed before the Company's Board.
 - A statement of all significant transactions or arrangements entered into by unlisted Material Subsidiaries shall be periodically presented to the Board.
4. **Secretarial Audit:** Unlisted Material Subsidiaries incorporated in India shall undertake secretarial audits and annex the secretarial audit report with the Company's annual report.
 5. **Reporting by Management:** The management of Material Subsidiaries shall provide periodic updates to the Audit Committee regarding their key operational and financial metrics, including any compliance risks.

6 Compliance Obligations

1. Restrictions on Disposal of Shares:

- The Company shall not reduce its shareholding in a Material Subsidiary to 50% or less or cease control without shareholder approval via a special resolution.

2. Restrictions on Sale/Disposal of Assets:

- Sale, disposal, or lease of assets amounting to more than 20% of the Material Subsidiary's assets shall require shareholder approval through a special resolution.

3. Disclosures:

- This Policy shall be disclosed on the Company's website, and a web link shall be provided in the annual report.

4. Regulatory Notifications

- Any significant events or developments concerning Material Subsidiaries shall be promptly reported to stock exchanges as per applicable regulations.

7 Conflict Resolution

In the event of a conflict between the provisions of this Policy and any applicable law, rule, or regulation, the provisions of the applicable law, rule, or regulation shall prevail. The Policy shall be amended to align with the prevailing legal and regulatory framework.



8 Review and Amendments

The Audit Committee shall periodically review this Policy and recommend any amendments to the Board for approval. Any subsequent amendment in applicable laws shall be deemed to apply to this Policy. Additionally, the Policy shall be reviewed for alignment with the Company's strategic objectives and evolving regulatory requirements.

9 Effective Date and Implementation

This Policy shall be effective from 8th May 2025. The governance measures outlined herein shall be implemented across all relevant subsidiaries within a reasonable time frame.

Date: 8th May, 2025

Place: Kolkata