



**POLICY FOR DETERMINING “MATERIAL” SUBSIDIARIES”
OF
MONEYBOXX FINANCE LIMITED**

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SUMMARY OF VERSION

Policy approved by	Board of Directors
Policy prepared	Compliance
Current Approval/ Revision date	28.05.2025

LEGAL FRAMEWORK

Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) ("SEBI LODR") extends certain principles of Corporate Governance to Material Subsidiaries of listed companies.

The Board of Directors (the "**Board**") of **Moneyboxx Finance Limited** (the "**Company**") is obliged to formulate a policy for determining "Material Subsidiaries" to comply with the requirements of Regulation 16(1)(c) of the SEBI LODR for such Material Subsidiaries. In case of any amendment (s), clarification (s), circular (s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions in this Policy and this Policy shall stand amended accordingly from the effective date as laid down under such amendment (s), clarification (s), circular (s) etc.

PURPOSE OF THE POLICY

Besides determining the Material Subsidiaries and disclosure thereof as required by SEBI LODR and any other Laws and Regulations as may be applicable to the Company, the Policy on Material Subsidiaries (this "**Policy**") intends to ensure governance of Material Subsidiaries by complying with Directorship requirements, review of financial statements, bringing to the attention of the Board certain transactions or arrangements, rules regarding disinvestment of shares held by the Company and restrictions on selling or disposing or leasing of assets of such Subsidiaries by the Company.

DEFINITIONS

1. "Act" means Companies Act, 2013 and Rules prescribed thereunder, including any statutory amendment or modification thereof.
2. "Audit Committee" means the Audit Committee of the Board which as on date complies with the provisions of Section 177 of the Act read with applicable Rules and Regulation 18 of the SEBI LODR.
3. "**Listing Regulations**" means the regulations as contained in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) including any amendment or modification thereof.
4. "Consolidated Income" means the total income of the Company and its Subsidiaries.
5. "Holding Company" in relation to one or more other companies, means a company of which such companies are Subsidiary companies.
6. "Independent Director" means a Director of the Company, not being a Whole-time 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 SEBI LODR.
7. "Net Worth" **shall mean the net worth as defined in Section 2(57) of the Companies Act 2013.**
8. "Subsidiary Company" or "Subsidiary" means a subsidiary as defined under the Act and

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

9. **"Material subsidiary":** A Subsidiary shall be considered as Material 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.
10. **"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 unlisted subsidiary for the immediately preceding accounting year.

All capitalized terms used in this Policy but not defined herein shall have the meaning assigned to such term in the Listing Regulations or any other applicable law or regulation to the extent applicable to the company, as amended from time to time.

GUIDING PRINCIPLES

1. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary company.
2. The minutes of the Board meetings of the unlisted subsidiary company shall be placed at the Board meeting of the Company.
3. The management of unlisted subsidiary company should 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.
4. 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 or equal to 50% or cease the exercise of control over the subsidiary without its shareholders' approval except in cases as mentioned in Regulation 24 of SEBI (LODR) Regulations.
5. Selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the material subsidiary shall require its shareholders' approval except in cases as mentioned in Regulation 24 of SEBI (LODR) Regulations.
6. At least one independent director on the Board of Directors of the Company shall be a director on the Board of Directors of a material non-listed subsidiary company, whether incorporated in India or not.

PROVISIONS WITH REGARD TO MATERIAL SUBSIDIARY COMPANIES

1. The Chief Financial Officer of the Company will be responsible for monitoring and determining which of the Subsidiaries falls within the definition of Material Subsidiary /Material Non-listed Indian /Foreign Subsidiary .
2. Monitoring of investments made by the Company in the Subsidiaries for the purpose of determining the Materiality of the Subsidiary shall be done whenever such an investment is made. Monitoring the quantum of generation of consolidated income of the Company will be done at the time of finalizing the consolidated annual accounts of the Company.

RESTRICTION ON DISPOSAL OF SHARES OF MATERIAL SUBSIDIARY BY THE COMPANY

The Company shall not dispose 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 except in cases where such disinvestment is made under a scheme of arrangement duly approved by a Court or Tribunal or it has previously been approved by the Board for “Disinvestment”.

RESTRICTION ON DISPOSAL OF ASSETS OF MATERIAL SUBSIDIARY

The Company shall not sell, dispose and lease 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 the shareholders by way of passing special resolution in its General Meeting, unless the sale or disposal or lease is made under a scheme of arrangement duly approved by Court or Tribunal.

COMPLIANCE BY STEP DOWN SUBSIDIARIES

Where the Company has a listed Subsidiary which is itself a Holding Company, this Policy shall apply to the listed Subsidiary insofar as its Subsidiaries are concerned. The Secretarial Audit Report for Material subsidiary to be annexed with the holding Company

DISCLOSURES

This Policy shall be disclosed on the Company’s website.

AMENDMENT OR REVIEW

The Board reserves the right to amend, modify or review this Policy in whole or in part, at any point of time, as may be deemed necessary.

SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the Listing Regulation / Act or any other statutory enactments, rules, the provisions of such Listing Regulations /Actor statutory enactments, rules shall prevail over this Policy.