

FUTURISTIC SECURITIES LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

PREAMBLE:

The Board had adopted the existing policy for determining “Material Subsidiaries” in accordance with Clause 49 of the Listing Agreement entered by the Company with the Stock Exchanges. Securities and Exchange Board of India (SEBI) has issued and notified “SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on 2nd September 2015. The aforesaid regulations shall be in force w.e.f. 1 December 2015. The aforesaid policy lays down the requirement for formulating policy for determining material subsidiary. Accordingly the existing policy for determining material subsidiaries of the Company is being replaced with this policy.

POLICY:

A Subsidiary shall be considered as “Material Subsidiary” if the income or networth of the respective subsidiary exceeds twenty (20) percent of the consolidated income or net worth of the Company and its subsidiaries in the immediately preceding accounting year.

GOVERNANCE REQUIREMENTS RELATING TO SUBSIDIARY COMPANIES :

- a. At least one Independent Director on the Board of the Company shall be appointed as a director on the material unlisted subsidiary company incorporated in India.
- b. The Audit Committee shall review the financial statements of the subsidiary and in particular investments made by those subsidiaries
- c. Minutes of the meeting of the board of directors of the subsidiary shall be placed before the meeting of the board of directors of the Company.
- d. A statement of all significant transactions (i.e. any transactions or arrangements that exceeds or likely to exceed ten (10) percent of the total revenues or expenses or assets or liabilities of unlisted subsidiary company for the immediately preceding financial year.

DISPOSAL OF MATERIAL SUBSIDIARY:

The Company shall not:

- a. dispose of the shares in a material subsidiary which shall reduce its shareholding to less than fifty (50) percent or cease to exercise control over the subsidiary without seeking / passing a Special Resolution at its general meeting, except in case where such divestment is being carried out under a scheme of arrangement duly approved by Court / Tribunal.
- b. Sell, dispose and lease the assets amounting to more than twenty (20) percent of its material subsidiary on an aggregate basis during a financial year without prior approval of the shareholder, unless such sale, disposal or lease is made under a scheme of arrangement duly approved by a Court / Tribunal.

REVIEW OF POLICY:

This policy shall be subject to review as may be deemed necessary and in accordance with any statutory / regulatory requirements from time to time:

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