Fabtech®
Technologies Cleanrooms Ltd.
(Formerly known as Fabtech Technologies Cleanrooms Private Limited)

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

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A Preamble

In accordance with the Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations"), (the "**Listing Regulation**") Fabtech Technologies Cleanrooms Limited (the **"Company**") is required to frame a policy for determining material subsidiary of the Company.

Accordingly, the Board of Directors of the Company on July 25, 2024 has adopted the Policy for Determining Material Subsidiaries ("**Policy**").

Reference to statutory provisions or regulations shall be construed as meaning and including references to any amendment or re-enactment and any amendments to any statutory provisions or regulations or clarifications applicable to the Policy shall automatically be deemed to be included in the Policy, without any further amendment of the Policy by the Board or relevant committee of the Board.

B Scope and exclusion

This Policy sets out the criteria for determining material subsidiary / subsidiaries of the Company.

A subsidiary shall be considered as "material subsidiary" if its income or net-worth exceeds ten percent of the consolidated income or net-worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

C Definitions and Interpretation

In this Policy, words and expressions shall have the meaning assigned to them below:

"***Audit Committee***"	shall mean the Audit Committee of the Company constituted by the Board;
"***Board***"	shall mean the Board of Directors of the Company;
"***Company***"	shall mean Fabtech Technologies Cleanrooms Limited;
"***Directors***"	shall mean all the members of the Board of Directors of the Company, including the Independent Directors;
"***Listing Regulation***"	shall mean The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

D Policy

1. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary on an annual basis.

2. The minutes of the meetings of the board of the unlisted subsidiary shall be placed at the meeting of the Board.

3. The management of the unlisted subsidiary shall periodically bring to the notice of the Board, a statement of all significant transactions or arrangements entered into by the unlisted subsidiary.

4. The management shall present to the Audit Committee annually, the list of subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board.

5. At least one independent director on the Board shall be a director on the board of directors of an unlisted material subsidiary whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

6. The Company's 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, in such form as may be specified.

7. The Company shall not without the prior approval of the stakeholders by way of a special resolution:

   a) 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 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/Company Law Board or under a resolution plan duly approved under section 31 of the Insolvency and Bankruptcy Code, 2016 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved; and

   b) selling, disposing and leasing of assets amounting to more than 20% of the assets of the material subsidiary unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court /Tribunal/ Company Law Board or under a resolution plan duly approved under section 31 of the Insolvency and Bankruptcy Code, 2016 and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

E Communication and Dissemination of the Policy

A copy of this Policy shall be posted on the website of the Company for all its employees and the Directors. The Policy shall also be disclosed in the Corporate Governance Report and would be a part of the Company's Annual Report.

F Amendments

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace this Policy entirely with a new policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

G General

Where the terms of this Policy differ from any existing or newly enacted law, rule, or regulation, the law, rule or regulation will take precedence over this Policy from the effective date of such law, rule or regulation.

For interpretation of this Policy, reference and reliance may be placed upon circulars/clarifications issued by the MCA, SEBI and/or any other authority.

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