

## MATERIALITY POLICY

### Introduction

This document has been formulated to define the materiality policy for identification of (1) outstanding material litigation involving Fabtech Technologies Limited (the “**Company**”), its directors, its promoter, its subsidiary(ies) (together, the “**Relevant Parties**”); (2) the group companies of the Company; and (3) the material creditors of the Company (together, the “**Policy**”), each in terms of the disclosure requirements under Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”).

This Policy shall be effective from the date of its approval by the Board of Directors of the Company (“**Board**”) or a committee thereof.

In this Policy, the term “**Issue Documents**” shall mean the Red herring prospectus, and the prospectus, including any addendum or corrigendum thereto to be filed and/or submitted by the Company in connection with the proposed initial public offering of its equity shares with the Securities and Exchange Board of India (“**SEBI**”), the Registrar of Companies or the stock exchanges where the equity shares of the Company are proposed to be listed, and any other regulatory authorities, as applicable.

The term “**Restated Financial Information**” shall mean the restated financial information of the Company, as disclosed in the relevant Issue Documents, together with the summary statement of significant accounting policies, and other explanatory information thereon derived from the relevant audited financial statements and restated financial statement of assets and liabilities as at March 31, 2025, March 31, 2024 and March 31, 2023, the restated financial statement of profit and loss (including other comprehensive income), the restated financial statement of changes in equity and the restated financial statement of cash flows for the financial years ended March 31, 2025, March 31, 2024 and March 31, 2023, the statement of significant accounting policies, other explanatory information annexed thereto. The Restated Financial Information as approved by our board on September 1, 2025, have been prepared by our Company in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 (read with the Companies (Indian Accounting Standards) Rules, 2015, as amended) and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended from time to time.

### **1. Materiality policy for litigation**

In terms of the SEBI ICDR Regulations, the Company is required to disclose the following pending litigations involving any of the Company, its directors and its promoters. Further the Company is proposing to disclose the following pending litigations, as prescribed under the SEBI ICDR Regulations:

- (a) All criminal proceedings;
- (b) All actions by statutory and / or regulatory authorities;
- (c) Taxation proceedings – disclosures regarding claims related to direct and indirect taxes, in a consolidated manner, giving details of number of cases and total amount; and
- (d) All other pending litigations / arbitration proceedings – as per the policy of materiality defined by the Board and disclosed in the Issue Documents.

Additionally, in terms of the SEBI ICDR Regulations, the Company is required to disclose: (a) any disciplinary action (including a penalty) imposed by SEBI or any of the stock exchanges against its promoters in the five financial years preceding the date of the relevant Issue Document, including any outstanding action; (b) outstanding litigation involving the group companies, which may have a material impact on the Company; (c) all criminal proceedings involving key managerial personnel and senior management of the Company; and (d) actions taken by the regulatory authorities and statutory authorities against the key managerial personnel and senior management of the Company.

**For the purposes of determining outstanding material litigation / arbitration proceedings referred to in point (d) above, the following criteria shall apply:**

Any pending litigation / arbitration proceedings (other than the litigation referred to in points 1 (a) to (c) above) shall be considered “material” for the purposes of disclosure in the Issue Documents, if:

- (a) as regards the Company, the aggregate monetary claim/ dispute amount/ liability made by or against the Company in any such pending litigation / arbitration proceeding is lower of threshold mentioned below:
  - i. aggregate monetary claim/ dispute amount/ liability made by or against the Company in any such pending litigation / arbitration proceeding exceeds the lower of the following (i) two percent of turnover, as per the latest financial year included in the Restated Financial Information ; or (ii) two percent of net worth, as per the latest financial year included in the Restated Financial Information, except in case the arithmetic value of the net worth is negative; or (iii) five percent of the average of absolute value of profit or loss after tax, as per the preceding three financial years included in the Restated Financial Information disclosed in the relevant Issue Documents.
- (b) as regards the directors and promoters of the Company, any such pending litigation / arbitration proceeding involving the directors or the promoters of the Company, which may have a material adverse impact on the business, operations, performance, prospects, financial position or reputation of the Company; or
- (c) if any monetary liability is not quantifiable, or which does not fulfil the thresholds specified in paragraphs (a) or (b) above, as applicable, or wherein our Company is not a party, but the outcome of which could, nonetheless, have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of the Company.

For the purpose of the above and litigation involving pre-litigation notices received by the Relevant Parties (excluding those notices issued by statutory/regulatory/tax authorities or notices threatening criminal action or the first information reports) shall, unless otherwise decided by the Board of Directors, not be considered as material litigation, until such time that a Relevant Party is impleaded as a defendant in proceedings before any judicial / arbitral forum.

**2. Materiality policy for Group Companies**

In terms of the SEBI ICDR Regulations, for the purpose of disclosure in the Issue Documents, the term ‘group companies’ includes (a) such companies (other than the promoters and subsidiary(ies), if any) with which the issuer company had related party transactions during the period for which financial information is disclosed in the relevant Issue Document, as covered under the applicable accounting standards, and (b) any other companies as considered material by the Board.

Accordingly, for 2(a) above, all such companies (other than the promoters and subsidiary(ies) (if any)) with which there were related party transactions during the periods covered in the Restated Financial Information, as covered under the applicable accounting standards, shall be considered as group companies in terms of the SEBI ICDR Regulations and shall be disclosed in the Issue Documents.

**3. Materiality policy for identification of material creditors**

In terms of SEBI ICDR Regulations, the Company shall make the following disclosures in the Issue Documents for outstanding dues to creditors (except banks and financial institutions from whom the Company has availed financing facilities):

- (a) based on the policy on materiality adopted by the Board of Directors and as disclosed in the Issue Documents, details of the Company's creditors, including the consolidated number of creditors and the aggregate amount involved; and
- (b) consolidated information on outstanding dues to micro, small and medium enterprises and other creditors, separately giving details of number of cases and amount involved; and
- (c) complete details about outstanding over-dues to material creditors along with the name and amount involved for each such material creditor shall be disclosed on the website of the Company with a web link thereto in the Issue Documents.

Additionally, complete details about outstanding overdue to material creditors including the name of such creditor(s) and amount due to such material creditor (as per 3(a) above) shall be disclosed on the website of the Company with the relevant web link included in the Issue Documents, as applicable.

For the purposes of identification of material creditors, in terms of point 3 (a) above, a creditor of the Company, shall be considered to be 'material' for the purpose of disclosure in the Issue Documents, if amounts due to such creditor by the Company is equal to, or in excess of, five (05) *per cent* of the restated trade payables of the Company, respectively, as at the end of the most recent financial year included in the Restated Financial Information.

Additionally, complete details about outstanding overdues to material creditors along with the name and amount involved for each such material creditor (as per 3(a) above) shall be disclosed on the webpage of the Company with the relevant weblink included in the Issue Documents, as applicable.

**General**

It is clarified that the Policy is solely from the perspective of disclosure requirements prescribed under the SEBI ICDR Regulations with respect to the Issue Documents and should not be applied towards any other purpose.

The Policy shall be without prejudice to any disclosure requirements, which may be prescribed by SEBI and/ or such other regulatory or statutory authority with respect to listed companies or disclosure requirements as may be prescribed by SEBI through its observations on the Issue Documents, or disclosures that may arise from any investor or other complaints.

The Policy shall be subject to review / changes as may be deemed necessary and in accordance with

applicable law and regulatory amendments from time to time.

All other capitalised terms not specifically defined in this Policy shall have the same meanings ascribed to such terms in the Issue Documents.

**Effective Date:** September 11, 2025

