FRACTAL ANALYTICS LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

This policy has been formally adopted and approved by Board of Directors of the Company ("Board") in their meeting held on August 08, 2025.

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

I. PREAMBLE AND OBJECTIVE

The Board *(as defined below)* of Fractal Analytics Limited in pursuance of Regulation 16(1) (c) and Regulation 24(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended("**SEBI Listing Regulations**") adopted this policy for determining 'material' subsidiaries vide its Board meeting held on August 08, 2025.

The primary purpose of this Policy is to lay down the criteria for identification of Material Subsidiary(ies) (*as defined below*) to ensure compliance with the disclosure and governance requirements prescribed under the SEBI Listing Regulations.

The Policy will come into effect from the date of commencement of trading and listing of the equity shares of the Company on recognised stock exchange(s) in India.

II. DEFINITIONS

"Accounting Year" shall mean the period beginning on April 1 of a year to March 31 of the subsequent year.

"Audit Committee" means Audit Committee constituted by the Board of Directors of Company, from time to time, under Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI Listing Regulations.

"Board" means the board of directors of the Company.

"Company" means Fractal Analytics Limited (previously known as Fractal Analytics Private Limited).

"Material Subsidiary(ies)" means a material subsidiary of the Company as under the Regulation 16 1 (c) of the SEBI Listing Regulations.

"Material Unlisted Subsidiary(ies)" is a Material Subsidiary whose shares are not listed on any of the stock exchanges in India.

"Policy" shall mean this policy for determining 'material' Subsidiaries.

"**SEBI Listing Regulations**" shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

"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, and shall be in accordance with any meaning as may be provided for "significant transaction or arrangement" under Regulation 24(4) of the SEBI Listing Regulations, from time to time..

"Subsidiary(ies)" shall mean a subsidiary(ies) as defined under the Companies Act, 2013, as amended.

"Unlisted Subsidiary(ies)" means Subsidiary(ies) of the Company whose securities are not listed on any recognized stock exchanges.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, as amended, the SEBI Listing Regulations or any other applicable law or regulation.

III. DETERMINATION OF MATERIAL SUBSIDIARIES

A subsidiary, whose turnover or net worth exceeds ten percent of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year shall be considered a 'material subsidiary'.

IV. GOVERNANCE FRAMEWORK OF MATERIAL SUBSIDIARIES

a) At least one independent director on the Board shall be appointed as a director on the board of directors of a Material Unlisted Subsidiary, whether incorporated in India or not.

b) The Audit Committee of the Board shall review the financial statements, in particular the investments, made by the Unlisted Subsidiaries.

c) The minutes of the meetings of the board of directors of the Unlisted Subsidiaries shall be placed at the meeting of the Board.

d) The respective management of the Unlisted Subsidiaries shall periodically bring to the attention of the Board, a statement of all Significant Transactions or Arrangements entered into by the Unlisted Subsidiaries.

e) The Company shall not dispose of shares in its Material Subsidiary(ies) which would reduce the shareholding of the Company (either on its own or together with other Subsidiaries) to less than or equal to 50% or cease the exercise of control over such subsidiary without passing a special resolution in its general meeting 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 and Bankruptcy Code, 2016, as amended, and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

f) 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 shareholders by way of special resolution, 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 and Bankruptcy Code, 2016, as amended and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved. This will not be applicable in the event any such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the Company.

a) The Company and the Material Unlisted Subsidiaries incorporated in India shall undertake secretarial audit by a secretarial auditor who shall be a peer reviewed company secretary and shall annex a secretarial audit report in such form as specified, with the annual report of the listed entity.

Explanation: The term "secretarial auditor" means a company secretary in practice or a firm of company secretary(ies) in practice appointed to conduct the secretarial audit and the term "peer reviewed company secretary" means a company secretary in practice, who is either practicing individually or as a sole proprietor or as a partner of a peer reviewed practice unit, holding a valid certificate of peer review issued by the Institute of Company Secretaries of India under SEBI Listing Regulations, from time to time.

g) The Company shall disclose all events or information with respect to its Subsidiaries which are material for the Company as per Regulation 30(9) of the SEBI Listing Regulations.

V. DISCLOSURE

The Policy shall be disclosed on the Company's website pursuant to Regulation 46(2) of the SEBI Listing Regulations at www.fractal.ai and a web link thereto shall be provided in the annual report of the Company.

VI. CONFLICT IN POLICY

In the event of any conflict between the Companies Act, 2013 or the SEBI Listing Regulations or any other statutory enactments ("**Regulations**") and the provisions of this Policy, the Regulations shall prevail over this Policy.

VII. AMENDMENTS

Any subsequent amendment/modification in the Companies Act, 2013, the SEBI Listing Regulations and/or other applicable laws in this regard shall automatically apply to the Policy.

VIII. POLICY REVIEW

The Board may, subject to compliance with applicable laws, amend, suspend or rescind this Policy at any time. The Board may also establish further rules and procedures, from time to time, to give effect to the intent of this Policy.