



## **INFONATIVE SOLUTIONS LIMITED**

### **POLICY FOR IDENTIFICATION OF**

- (i) Outstanding material litigation and its Subsidiaries and Directors;
- (ii) Material Group Companies; and
- (iii) Material creditors of the Company

**[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]**

## Introduction

This document has been formulated to define the policy for identification of (i) outstanding material litigation involving **Infonative Solutions Limited (the “Company”)** and its Subsidiaries and Directors; (ii) the ‘material’ Group Companies; and (iii) the ‘material’ creditors of the Company (together, the “Policy”), 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, i.e., **March 20, 2025**, by the Board of Directors of the Company (“Board”).

In this Policy, the term “Offer Documents” shall mean the draft red herring prospectus, the updated draft red herring prospectus, the red herring prospectus and the prospectus and any addendum or corrigendum thereto to be filed and/or submitted by the Company, if required, 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, Ministry of Corporate Affairs, the stock exchange and any other regulatory authority, as applicable.

## Scope

### I. Materiality policy for litigation

In terms of SEBI ICDR Regulations, the Company is required to disclose the following outstanding litigation involving itself, its subsidiaries and its directors (the “Relevant Parties”):

- (i) All criminal proceedings.
- (ii) All actions by statutory and / or regulatory authorities (including any notices sent by them);
- (iii) Claims related to direct and indirect taxes, in a consolidated manner, giving the number of cases and total amount; and
- (iv) Other outstanding litigation - As per the policy of materiality defined by the Board of Directors and disclosed in the Offer Documents.

Additionally, in terms of the SEBI ICDR Regulations, the Company is required to disclose any outstanding litigation involving the group companies, which may have a material impact on the Company. For the purposes of determining the outstanding litigation involving the group companies, which may have a material impact on the Company, the criteria specified under “Policy on materiality” herein below shall apply.

### Policy on materiality:

For the purpose of point no (iv) above, any other pending litigation involving the Company, its directors and joint venture(s) shall be considered “material” for the purpose of disclosure in the Offer Documents if:-

- (a) two percent of turnover, as per the latest annual restated financial statements of the issuer. ;

- (b) two percent of net worth, as per the latest annual restated financial statements of the issuer, except in case the arithmetic value of the net worth is negative or;
- (c) five percent of the average of absolute value of profit or loss after tax, as per the last three annual restated financial statements of the issuer.

## **II. Materiality policy for identification of Group Companies**

In terms of the SEBI ICDR Regulations, the term ‘group companies’ includes “such companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed, as covered under the applicable accounting standards, and also other companies as considered material by the board of the issuer”.

Therefore, as per the requirements of the SEBI ICDR Regulations, Group Companies shall include:

- i. companies (other than the subsidiaries) with which there were related party transactions, during the period for which financial information will be disclosed in the Offer Documents, as covered under the Indian Accounting Standard (Ind AS) 24; and
- ii. companies as considered material by the Board.

With respect to point (ii) above, for the purpose of disclosure in the Offer Documents, such companies with which the Company has entered into one or more related party transactions as per Ind AS 24 or Companies Act, 2013 during the period after the last completed financial year and the stub period if any as included in the Offer Documents until the date of filing of the Offer Documents, will be included as group companies.

Information about the Group Companies identified based on the above approach shall be disclosed in the Offer Documents in accordance with SEBI ICDR Regulations.

## **III. Materiality policy for identification of material creditors**

In terms of SEBI ICDR Regulations, the Company shall make the following disclosures in the Offer Documents and the website of the Company, in relation to outstanding dues to creditors:

- (i) based on the policy on materiality adopted by the Board of Directors and as disclosed in the Offer Documents, details of the Company’s creditors, including the consolidated number of creditors and the aggregate amount involved;
- (ii) 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
- (iii) complete details about outstanding overdue 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 weblink thereto included in the Offer Documents.

For the purposes of identification of material creditors, in terms of point (i) above, a creditor of the Company, shall be considered to be material for the purpose of disclosure in the Offer Documents and the website of the Company, if amounts due to such creditor is equal to or in excess of 20% of the consolidated trade payables of the Company as at the end of the latest period included in the Restated Financial Information.

#### **Other Clauses pertaining to the Policy**

It is clarified that the Policy is solely from the perspective of disclosure requirements prescribed under the SEBI ICDR Regulations with respect to the Offer 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, judicial, quasi-judicial, governmental, administrative or statutory authority with respect to listed companies or disclosure requirements as may be prescribed by SEBI through its observations on the Offer Documents, or disclosures that may arise from any investor or other complaints.

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

#### **Review of the Materiality policy**

The Policy shall be subject to review/changes as may be deemed necessary and in accordance with regulatory amendments from time to time.

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