

POLICY ON IDENTIFICATION OF
MATERIAL GROUP COMPANIES,
MATERIAL CREDITORS AND MATERIAL
LITIGATIONS

A. INTRODUCTION

This Policy has been formulated to define the materiality for identification of material group companies, outstanding material litigation and outstanding dues to material creditors in respect of SHREE SIDDHIVINAYAK GREENTECH INDUSTRIES LIMITED and its Directors (the "**Company**"), pursuant to the disclosure requirements under Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as may be amended from time to time ("**SEBI ICDR Regulations**").

B. APPLICABILITY AND OBJECTIVE

This policy shall be called the '**Policy on Identification of Material Group Companies, Material Creditors and Material Litigations**' ("**Policy**").

The Company has adopted this Policy for identification and determination of: (i) material group companies (ii) material creditors; and (iii) material litigations pursuant to the provisions of SEBI ICDR Regulations, details of which shall be disclosed in the offer documents.

In this Policy, the term "**Offer Documents**" shall mean the Draft Prospectus and the Prospectus to be filed by the Company in connection with the proposed initial public offering of its equity shares with the Securities and Exchange Board of India, Registrar of Companies, Mumbai ("ROC") and stock exchanges where the equity shares of the Company are proposed to be listed, as applicable.

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

In this Policy, unless the context otherwise requires:

- (i) Words denoting the singular shall include the plural and vice versa.
- (ii) References to the words "include" or "including" shall be construed without limitation.

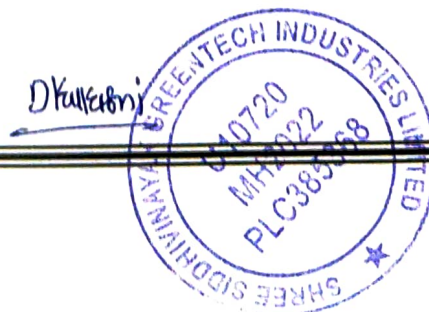
C. POLICY PERTAINING TO THE IDENTIFICATION OF MATERIAL GROUP COMPANIES MATERIAL CREDITORS AND MATERIAL LITIGATIONS

The Materiality Policy with respect to the identification of the material group companies, material creditors and material litigation shall be as follows:

Identification of Material Group Companies

Requirement:

As per the requirements of the SEBI ICDR Regulations, Group Companies shall include 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.



Policy on Materiality:

Group Company in connection with the offer, a company shall be considered material and disclosed as a Group Company if the Company is member of the Promoter Group with which our company has entered into one or more transactions during the most recent Financial Year as included in the Restated Financial Statements, that which individually or cumulatively exceeds 10% of the revenue of our Company derived from the Restated Financial Information of the last completed full financial year.

Identification of Material Creditors

Requirement:

As per the requirements of SEBI ICDR Regulations, the Company shall make relevant disclosures in the Offer Documents for outstanding dues to creditors:

- (i) Based on the policy on materiality defined by the Board of Directors of the Company and as disclosed in the offer Document, disclosure for such creditors which include 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 overdues 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.

Policy on materiality:

For 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, if amounts due to such creditor exceeds 10% of the total consolidated trade payables of the Company as per the latest restated financial statements of the Company, as disclosed in the Offer Documents.

Disclosures in the Offer Documents regarding material creditors

- (i) For creditors identified as 'material' based on the abovementioned Policy, information on outstanding dues to such material creditors shall be disclosed in the Offer Documents along with the details of the material creditors, which include the consolidated number of creditors and amount involved on an aggregate basis, as of the date of the latest restated financial statements included in the Offer Documents.



- (ii) For outstanding dues to micro, small and medium enterprises ("MSMEs"), the disclosure will be based on information available with the Company regarding the status of the creditors as MSMEs as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as has been relied upon by the statutory auditors in preparing their audit report. Information for such identified MSMEs creditors shall be provided in the Offer Documents in the following manner:
- (iii) aggregate amounts due to such MSME creditors; and
- (iv) Aggregate number of such MSME creditors.

As on the date of the latest restated financial statements included in the Offer Document.

- (v) Complete details about outstanding dues to the material creditors along with the name and amount involved for each such material creditor shall be disclosed on the website of our Company with a web link in the Offer Documents.

The Company shall make relevant disclosures before the Audit Committee/ Board of Directors as required by applicable law from time to time.

Identification of Material Litigation

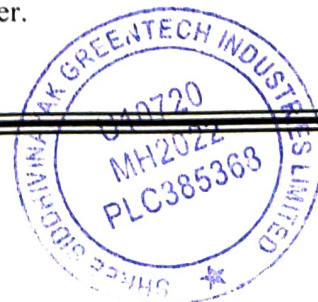
Requirement:

As per the requirements of SEBI ICDR Regulations our Company shall disclose in the Offer Documents, all the litigation involving our Company, our Director, our Promoters, our Group Companies and our Subsidiary Companies related to:

- i. all criminal proceedings;
- ii. all actions by regulatory authorities and statutory authorities;
- iii. disciplinary action including penalty imposed by SEBI or stock exchanges against the promoters in the last five financial years including outstanding action;
- iv. claims related to direct and indirect taxes, in a consolidated manner, giving the number of cases and total amount;
- v. Other pending litigations based on lower of threshold criteria mentioned below:
 - 1. As per the policy of materiality defined by the board of directors of the issuer and disclosed in the offer document; or
 - 2. Litigation where the value or expected impact in terms of value, exceeds the lower of the following:
 - a. two percent of turnover, as per the latest annual restated consolidated financial statements of the issuer; or
 - b. two percent of net worth, as per the latest annual restated consolidated 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 consolidated financial statements of the issuer

Additionally, in terms of the SEBI ICDR Regulations, the Company is required to disclose any outstanding litigation involving the Subsidiary companies of the issuer.

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Policy on materiality:

For the purpose of point no (v) above, pending litigation involving our Company, our Director, our Promoters, our Group Companies and our Subsidiary Companies shall be considered "material" for the purpose of disclosure in the Offer Documents if, the value or expected impact in terms of value of such litigation, exceeds the lower of the following:

- a. two percent of turnover, as per the latest annual restated consolidated financial statements of the issuer; or
- b. two percent of net worth, as per the latest annual restated consolidated 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 consolidated financial statements of the issuer.

D. AMENDMENT

The Board of Directors of the Company shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy. This Policy shall be subject to review/changes as may be deemed necessary and in accordance with regulatory amendments from time to time.

