



**INNOVISION LIMITED**

**Materiality Policy\***

**(Review-1 on 15.07.2025)**

**\*Covering recent amendments to (Issue of Capital & Disclosure Requirements) Regulations, 2018**

**CIN: U74910DL2007PLC157700**

**Registered Office: 1/209, First Floor, Sadar Bazar, Delhi Cantt, South West Delhi, Delhi 110010, India**

## 1. Introduction

This document has been formulated to define the materiality policy, pursuant to 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**”) (as amended from time to time), in respect of the following (i) identification of ‘material’ litigation (excluding disciplinary actions against the promoters, criminal proceedings, statutory/regulatory actions and taxation matters) (ii) identification of companies to be disclosed as Group Companies in the Offer Documents (as defined below); (iii) identification of material creditors of the Company (collectively, the “**Materiality Policy**”).

This Materiality Policy shall be effective from the date of its approval by the Board of Directors.

In this Materiality Policy, the term “**Offer Documents**” shall mean the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus (along with any addenda or corrigenda thereto), as applicable, to be filed with the Securities and Exchange Board of India (“**SEBI**”), the Registrar of Companies, National Capital Territory of Delhi and Haryana or the stock exchanges where the equity shares of the Company are proposed to be listed, and any other regulatory authorities, 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.

## 2. Identification of Material Litigation

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As per the requirements of SEBI ICDR Regulations, the Company shall disclose all the following outstanding litigation involving the Company, its Subsidiaries, its Directors and Promoters, (collectively “**Relevant Parties**”): related to:

- (i) All outstanding criminal proceedings, including matters which are at first information report stage where no/ some cognizance has been taken by any court;
- (ii) All actions by statutory / regulatory authorities, including notices by such authorities and any findings/observations or warning letters of any of the inspections by SEBI or any other regulatory authority involving the Relevant Party(ies), which are material and which need to be disclosed or non-disclosure of which may have bearing on the investment decision in relation to the Offer shall be disclosed in the Offer Documents including and all penalties;
- (iii) Disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters in the last five financial years including outstanding action;
- (iv) All proceedings filed under the Negotiable Instruments Acts 1881;
- (v) Tax litigations: Separate disclosures regarding claims related to direct and indirect tax liabilities, in a consolidated manner giving total number of claims and total amounts involved; and
- (vi) Other pending civil litigations/arbitration proceedings involving the Relevant Parties – As per policy of materiality defined by the Board and disclosed in the Offer Documents.

As per the SEBI ICDR Regulations, the Company shall disclose the following pending litigation involving the key managerial personnel and senior management of the Company:

- (i) all outstanding criminal proceedings including matters which are at first information report stage even if no cognizance has been taken by any court or judicial authority; and
- (ii) all outstanding actions by regulatory authorities and statutory authorities, including notices by such authorities.

Further, as per the requirements of SEBI ICDR Regulations, the Company shall also disclose such outstanding litigation involving the group companies which has a material impact (as determined by the Board) on the Company. Any pending litigation involving the group companies, as identified in accordance with provisions of SEBI ICDR Regulations would be considered to have a ‘material impact’ on the Company

for the purpose of disclosure in the Offer Documents, if an adverse outcome from such pending litigation would materially and adversely affect the business, operations, cash flows, performance, prospects, financial position or reputation of the Company.

All outstanding labour law cases of a criminal nature will also be disclosed in the Offer Documents.

**For the purposes of determining material litigations /arbitration proceedings as mentioned in point (vi) above, the following criteria shall apply:**

Any outstanding litigation / arbitration proceedings (other than those covered in points (i) to (v) above) involving our Company, its Directors, its Subsidiaries and Promoters shall be considered “material” for the purposes of disclosure in the Offer Documents, if:

- a. the aggregate monetary amount of claim/dispute amount/liability involved in such proceeding exceed the lower of (A) 2% of the turnover of the Company for the most recent financial year as per the Restated Consolidated Financial Information; or (B) 2% of the net worth of the Company as at the end of the most recent financial period as per the Restated Consolidated Financial Information, except in case the arithmetic value of the net worth is negative; or (C) 5% of the average of the absolute value of the profit or loss after tax of the Company for the last three financial years as per the Restated Consolidated Financial Information (“**Threshold**”);
- b. the outcome of such litigation, irrespective of any amount involved in such litigation or wherein a monetary liability is not quantifiable, could have a material adverse effect on the financial position, business, operations, performance, prospects or reputation of our Company or its subsidiaries, as applicable; or
- c. the decision in such litigation is likely to affect the decision in similar litigations, and the aggregate monetary claim amount in all such litigation / arbitration proceedings is equal to or in excess of threshold set forth above even though the amount involved in an individual litigation may not exceed the threshold set forth in (a) above.

For the purposes of the above, pre-litigation notices received by the Relevant Parties from third parties (excluding those notices issued by statutory/regulatory/governmental/tax authorities) will not be, unless otherwise decided by the Board of Directors, considered as an outstanding litigation, until such time such party is impleaded as a defendant or respondent in litigations before any legal/arbitral forum.

### **3. Pertaining to the identification of Material Group Companies**

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In terms of the SEBI ICDR Regulations, the term ‘group companies’ includes

(i) such companies (other than promoters and subsidiaries) with which the issuer company had related party transactions, during the period for which financial information is disclosed in the Offer Documents, as covered under the applicable accounting standards, and

(ii) any other companies as considered material by the Board of Directors of the issuer.

Accordingly, for (i) above, all such companies (other than promoters and subsidiaries) with which there were related party transactions during the period covered in the Restated Consolidated Financial Information, as covered under the applicable accounting standards, shall be considered as group companies in terms of the SEBI ICDR Regulations.

In addition, for the purposes of (ii) above, a company (other than the companies covered under the schedule of related party transactions as per the Restated Consolidated Financial Information) shall be considered “material” and will be disclosed as a ‘Group Company’ in the Offer Documents if it is a member of the promoter group of the Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, and has entered into one or more transactions with the Company as per the latest fiscal covered in the Restated Consolidated Financial Information, that individually or cumulatively exceed 10% of the total income of our Company for the latest fiscal covered in the Restated Consolidated Financial Information.

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

#### **4. Materiality Policy for identification of Material Creditors**

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

- 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 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 Offer Documents.

For the purposes of identification of material creditors, in terms of point (i) above, creditors to whom the amount due is equal to or in excess of 10 % of the trade payables of our Company as of the end of the most recent financial period covered in the Restated Consolidated Financial Information.

#### **5. General**

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

This 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 including through its observations on the Offer Documents, or disclosures that may arise from any investor or other complaints.

This Policy shall be subject to review/changes as may be deemed necessary and in accordance with 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 Offer Documents.

***Effective Date: 15.07.2025***