



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

ITWINGS INFOSYSTEM LIMITED
(Formerly known as ITwings Infosystem Private Limited)

Version: 1.0

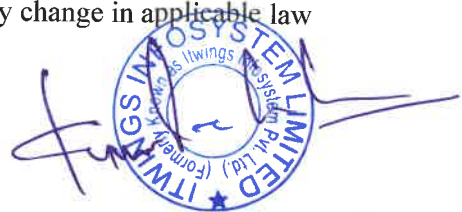
Approved By: Board of Directors

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Review Authority: Board of Directors

Next Review Due: As and when required or pursuant to any change in applicable law



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Registered Address :

First Floor, B-20, Block-B, Sector-2, Noida, Gautam Buddha Nagar, Uttar Pradesh - 201301

Corporate Office :

Second Floor, Plot No. H-7, Block-B-1, Mohan Cooperative Industrial Estate, New Delhi - 110044
Tel. : 01141474162 | E-mail : info@itwingsinfosystem.com | Website : www.itwingsinfosystem.com





1. INTRODUCTION

This Policy has been formulated pursuant to the disclosure requirements prescribed under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time ("SEBI ICDR Regulations"), for determining the materiality of Group Companies, outstanding litigations and outstanding dues to creditors required to be disclosed in the Offer Documents in connection with the proposed initial public offering of the equity shares of the Company.

The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 specifies the requirement for determination and disclosure of:

- a. Companies which are considered to be material as a group company of the Company within the meaning of 'Group Company' defined under the SEBI Regulations;
- b. material litigation involving the issuer company, its directors, its subsidiaries (if any), its promoters and its group companies; and
- c. material outstanding dues to creditors.

2. OBJECTIVE

The objective of this Policy is to lay down the principles and criteria for identification of:

- i. Group companies;
- ii. Material Litigations; and
- iii. Material Creditors.

for the purpose of disclosures required under the SEBI ICDR Regulations in the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus in connection with the proposed initial public offering of the equity shares of the Company.

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

3. For the purpose of this Policy, "Offer Documents" shall mean the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, including any amendment, addendum or corrigendum thereto, proposed to be filed by the Company with the Securities and Exchange Board of India, the Registrar of Companies and the Stock Exchanges in connection with the proposed initial public offering of its equity shares.



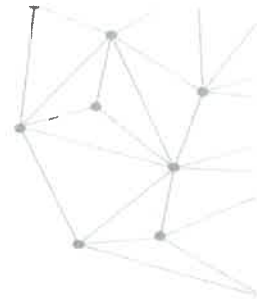
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POLICY PERTAINING TO IDENTIFICATION OF GROUP COMPANIES, MATERIAL CREDITORS AND MATERIAL LITIGATION

➤ **IDENTIFICATION OF THE GROUP COMPANIES**

The Company is required to disclose certain matters in relation to its “group companies” in the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus (“Offer Documents”). The SEBI Regulations define “group companies” as:

“The words “group companies”, wherever they occur, shall include such companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which financials information is disclosed, as covered under applicable accounting standards and also other companies as considered material by the board of the issuer.”

In the opinion of the Board of the Company, “group companies” and “Related Parties” shall be companies/entities as defined under the applicable Accounting Standards (being Accounting Standard -18) and also other companies considered material by the Board of Directors of the Company.

Our Board believes that a company shall be considered material and will also be disclosed as a group company if such company is a Material Subsidiary as defined in Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or if:

- (i) such company forms part of the Promoter Group of the Company in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018; and

➤ **IDENTIFICATION OF MATERIAL LITIGATIONS**

Requirement:

As per the applicable provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2025, as amended from time to time, the Company shall make disclosures relating to outstanding litigations in the Offer Documents.

1. The following categories of litigations shall be disclosed to the extent required under the applicable provisions of the SEBI ICDR Regulations:
 - i. All criminal proceedings;
 - ii. All actions by statutory / regulatory authorities;
 - iii. Disciplinary actions, penalties or regulatory directions imposed by SEBI, Stock Exchanges or any other statutory or regulatory authority, to the extent required to be disclosed under the applicable provisions of the SEBI ICDR Regulations.;
 - iv. Claims related to direct and indirect taxes, in a consolidated manner giving details of number of cases and total amount; and



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v. Other pending litigations based on lower of threshold criteria mentioned below–

- a. As per the policy of materiality defined by the board of directors of the issuer and disclosed in the offer document; if any or
 - b. Litigation where the value or expected impact in terms of value, exceeds the lower of the following:
 - two percent of turnover, as per the latest annual restated consolidated financial statements of the issuer; or
 - 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
 - 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.
2. All criminal proceedings involving key managerial personnel and senior management of the issuer and also the actions by regulatory authorities and statutory authorities against such key managerial personnel and senior management of the issuer shall also be disclosed.
3. Outstanding dues to creditors:
- (i) Based on the policy on materiality defined by the board of directors of the issuer, details of 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;
 - (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.

If any of the above mentioned litigations, material developments, dues to creditors etc., arise after the filing the offer document, the facts shall be incorporated appropriately in the offer document. In case there are no such cases, a distinct negative statement is required to be made in this regard in the offer document. Material developments since the date of the last balance sheet.

In addition to the above, in accordance with the applicable provisions of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time, the Company shall also disclose any outstanding litigation involving its Group Companies that may have a material impact on the Company. For determining whether such litigation is material, the criteria specified under the heading "Policy on Materiality" below shall apply.

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Policy on Materiality:

For the purpose of identifying "other material pending litigations" referred to above, any pending litigation involving the Company, its promoters, directors, subsidiaries (if any) and joint venture(s) (if any) shall be considered material for disclosure in the Offer Documents if:

- a. the monetary amount of the claim made by or against the Company, its promoters, subsidiaries, if any joint venture(s), if any and directors in any such pending litigation is equal to or in excess of 10% of the consolidated revenue of the Company or 25% of the profits before tax of the Company (whichever is lower) as per the last audited financial statements of the Company for a complete financial year, as included in the Offer Documents; or

where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in an individual litigation does not exceed the amount determined as per clause (a) above, and the amount involved in all of such cases taken together exceeds the amount determined as per clause (a) above; and any such litigation which does not satisfy the criteria specified in clause (a) above but, in the opinion of the Board of Directors, may have a material adverse effect on the business, operations, financial position, reputation or prospects of the Company.

➤ IDENTIFICATION OF MATERIAL CREDITORS

Requirement:

As per the requirements of SEBI (ICDR) Regulations 2018, the Company shall make relevant disclosures in the Offer Documents for outstanding dues to creditors:

- i. Based on the policy of 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 exceed 10% of the total consolidated trade payables of the Company as per the latest audited financial statements of the Company, as disclosed in the Offer Documents.

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Disclosures in the Offer Documents regarding material creditors:

- i. For creditors identified as ‘material’ based on the above-mentioned 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 audited 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:
 - a. aggregate amounts due to such MSME creditors; and
 - b. aggregate number of such MSME creditors.as of the date of the latest audited financial statements included in the Offer Document.
- iii. Complete details about outstanding over 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 information hosted on the website shall be updated, modified or removed in accordance with the applicable provisions of the SEBI ICDR Regulations and the requirements specified 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.

4. REVIEW AND AMENDMENT

The Board (including its duly constituted committees wherever permissible) shall have the power to amend this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy. This Policy shall automatically stand amended to reflect any changes to the SEBI Regulations, to the extent the same is the subject matter of this Policy.

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5. DISCLOSURE

The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 requires the same to be disclosed in Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus ("Offer Documents") of the company.

By and on Behalf of Board of Directors
For ITwings Infosystem Limited
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Kumar Bachchan
Chairman & Managing Director
DIN: 07985461

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