



INNOVISION LIMITED
Materiality Policy

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 for identification of (i) outstanding material litigation involving Innovision Limited (the “**Company**”), its directors and promoters (collectively, the “**Relevant Parties**”); (ii) its subsidiaries (iii) its group companies and (iv) the material creditors of the Company (collectively, the “**Materiality 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 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; and the term “**Restated Consolidated Financial Information**” shall mean the restated consolidated financial information of the Company and its subsidiaries, as disclosed in the Offer Documents, comprising of the restated consolidated balance sheet as at three months period ended June 30, 2024 and financial year ended March 31, 2024, March 31, 2023 and March 31, 2022, the restated consolidated statement of profit and loss, the restated consolidated statement of cash flows and the restated consolidated statement of changes in equity for the three months period ended June 30, 2024 and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 and the notes to restated consolidated financial statements as approved by the Board of Directors and the significant accounting policies and other explanatory information thereon derived from the relevant audited financial statements, prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 (read with the Companies (Indian Accounting Standards) Rules, 2015, as amended) and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended from time to time.

2. Identification of Material Litigation

As per the requirements of SEBI ICDR Regulations, the Company shall disclose all the litigation involving the Company, joint ventures, directors, subsidiaries and group companies related to:

- (i) All outstanding criminal proceedings; (including first information report);
- (ii) All actions by statutory / regulatory authorities;
- (iii) 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
- (iv) Other pending litigations/arbitration proceedings – As per policy of materiality defined by the Board and disclosed in the Offer Documents.

Additionally, in terms of the SEBI ICDR Regulations, the Company is required to disclose: (a) any disciplinary action (including a penalty) imposed by SEBI or any of the stock exchanges against the promoter of the Company in the five financial years preceding the relevant Offer Document as well as in current year in which the relevant Offer Document is getting filed, including any outstanding action; and (b) outstanding litigation involving the group companies (if any), the outcome of which may have a material impact on the Company, as applicable. outstanding litigation (including first information reports) involving the Group Companies, which may have a material impact on the Company, as applicable.

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

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

- a. the aggregate monetary amount of claim made by or against the entity or person in any such pending litigation exceeds 5% of the profit after tax of our Company, as per the latest fiscal covered in the Restated Consolidated Financial Information included in the Offer Documents; or
- 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 for the purposes of point (2) (iv) above, 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

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) 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.

For (ii) above, our Board considers the following companies as Group Companies:

Vetted Consultant Private Limited

Appoint Infotech Private Limited

4. Materiality Policy for identification of Material Creditors

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

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: 10.08.2024