

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

INTRODUCTION

This Policy has been formulated to define the materiality for identification of group companies, outstanding litigation and outstanding dues to creditors in respect of Techknowgreen Solutions Limited (the “Company”), pursuant to the disclosure requirements of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time (“SEBI ICDR Regulations”).

The Policy has been approved by the Board of Directors on 08th May 2023.

APPLICABILITY AND OBJECTIVE

This policy shall be called the ‘Policy on Identification of Group Companies, Material Creditors and Material Litigations’ (“Policy”). The Company has adopted this Policy for identification and determination of:

- (i) 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. “Offer Documents” means the Draft Red Herring Prospectus, the Red Herring 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, Pune (“RoC”) and stock exchanges where the equity shares of the Company are proposed to be listed, as applicable.

All other capitalised terms not specifically defined in this Policy shall have the same meanings as described 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.

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

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

Identification of ‘Material’ Group Companies:

As per the requirements of the SEBI ICDR Regulations, Group Companies include such companies as covered under the applicable accounting standards (i.e. Indian Accounting Standard 24 (“Ind AS 24”), as applicable) as per the restated financial statements for three (3) financial years and any subsequent stub period preceding the date of the Offer Document, which is included in such Offer Document and also any other companies as considered material by the board of directors of the Company.

Policy on Materiality:

A company shall be considered material and will be disclosed as a ‘Group Company’ if (i) the Company or its promoters hold 10% or more of the equity share capital of such company; and (ii) the Company has entered into one or more transactions with such company during the last completed financial year, which in value exceeds 5% of the total consolidated revenue of the Company for that financial year as per the restated financial information of the Company (excluding the corporate promoters and subsidiaries of the Company, if applicable).

For avoidance of doubt, it is hereby clarified that the Subsidiaries shall not be considered as Group Companies for the purpose of disclosure in the Offer Documents.

Identification of Material Creditors:

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 and as disclosed in the Offer Document, disclosure for such creditors; and
- (ii) Consolidated information on outstanding dues to micro, small or a medium enterprise and other creditors, separately giving details of number of cases and amount involved.

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 total outstanding dues (that is trade payables) of the Company as on the date of the latest restated financial statements of the Company disclosed in the Offer Documents shall be considered as material dues for the Company.

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:

As per the requirements of SEBI ICDR Regulations, the Company shall disclose all the litigation involving the Company, its directors, its promoters and group companies, related to pending litigations - as per policy of materiality defined by the Board and disclosed in the Offer Documents.

Policy on materiality:

In view of the nature and extent of operations of the Company, its directors, its promoters and group companies, the outstanding litigations involving the Company, its directors, its promoters and group companies (if any) shall be considered material if:

- i. The monetary amount of claim by or against the entity or person in any such pending matter exceed Rs. 10,00,000/- (Rupees Ten Lakhs Only)
and
- ii. The Board or any of its committees shall have the power and authority to determine suitable materiality thresholds for the subsequent financial years on the aforesaid basis or any other basis as may be determined by the Board or any of its committees.

AMENDMENT

Any change in the Policy shall be approved by the Board of Directors or any of its Committees (as may be authorized by the Board of Directors in this regard). The Board of Directors or any of its authorized Committees shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board or its Committee in this respect shall be final and binding. Any subsequent amendment / modification in the Listing Regulations and / or any other laws in this regard shall automatically apply to this Policy.