

ICON FACILITATORS LIMITED

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

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

[Adopted by the Board on September 10, 2024]

A. INTRODUCTION

This policy (“**Policy**”) has been formulated to set out the thresholds of materiality of Icon Facilitators Limited (“**Company**”), 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 from time to time) (“**SEBI ICDR Regulations**”), in respect of the following:

- A. Identification of ‘material’ companies to be disclosed as Group Companies;
- B. Identification of ‘material’ litigation (excluding disciplinary actions against the promoters, criminal proceedings, statutory/regulatory actions and taxation matters); and
- C. Identification of ‘material’ creditors.

B. APPLICABILITY AND OBJECTIVE

This policy shall be called the ‘**Policy on Identification of Group Companies, Material Creditors and Material Litigations**’ (“**Materiality Policy**”)

The board of directors of the Company (“**Board**”) at their meeting held on September 10, 2024, discussed and approved this Materiality Policy. This Materiality Policy shall be effective from the date of approval of the Materiality Policy by the Board.

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

In this Materiality Policy, the term “Offer Documents” shall mean 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, Ahmedabad, Gujarat 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 Materiality Policy shall have the same meanings ascribed to such terms in the Offer Documents.

In this Materiality Policy, unless the context otherwise requires:

- a. Words denoting the singular shall include the plural and vice versa; and
- b. References to the words “include” or “including” shall be construed without limitation.

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

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

Identification of Group Companies

Requirement:

As per Regulation 2 (1) (t) of the SEBI ICDR Regulations, Group Companies shall include “*such companies (other than promoter(s) and subsidiary(ies)) 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:

For the purpose of disclosure in the Offer Documents, a company shall be considered material and disclosed as a Group Company if:

- a. such companies (other than the subsidiaries, (direct or indirect/step down subsidiary(ies) with which the Company had entered into related party transactions, during the period for which restated consolidated financial statements is disclosed in the Offer Documents; and
- b. such other companies as considered material by the Board of Directors of the Company (as defined below).

With respect to point (a), based on the restated audited financial statements of the Company for Fiscals 2024, 2023 and 2022, below entities are identified as Group Companies:

- Dinesh Makhija – HUF
- Success Automation (Sole Proprietorship)
- K.D.M Ventures (Partnership Firm)

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, details of the creditors which include the consolidated number of creditors and the aggregate amount involved, will be disclosed in the Offer Documents;
- 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 will be disclosed in the Offer Documents; and
- iii. Complete details about outstanding 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.

Policy on materiality

For identification of material creditors (except banks and financial institutions from whom the Company has availed financing facilities), 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 5% of the total consolidated trade payables of the Company as per the most recently completed fiscal as per the restated consolidated financial statements of the Company, as disclosed in the Offer Documents.

Disclosure in the Offer Documents regarding material creditors and MSMEs

- a. 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.
- b. 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:
 - i. aggregate amounts due to such MSME creditors; and
 - ii. aggregate number of such MSME creditors

As of the date of the most recently completed fiscal as per the restated consolidated financial statements of the Company, as disclosed in the Offer Documents.

- c. Complete details about outstanding dues to the material creditors along with the name and amount involved for each such material creditors 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 as required by applicable law from time to time.

Identification of Material Litigations (excluding disciplinary actions against the promoters, criminal proceedings, statutory/regulatory actions and taxation matters)

Requirement:

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

1. All criminal proceedings;
2. All actions by regulatory authorities and statutory authorities;
3. Disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters in the last five financial years including outstanding action;
4. Claims related to direct and indirect taxes, in a consolidated manner, giving the number of cases and total amount; and
5. Other pending civil litigations - as per policy of materiality defined by the Board and disclosed in the Offer Documents.

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.

Policy on materiality

For the purpose of point no (5) above, any other pending civil litigation or arbitration involving the Company, its Promoters, its directors and subsidiaries (“**Relevant Parties**”) shall be considered “material” for the purpose of disclosure in the Offer Documents if:

- i. the aggregate monetary claim made by or against the Relevant Parties, in any such pending litigation proceeding or arbitration proceeding equal to or in excess of five percent [5%] of the consolidated profit after tax of the Company in the most recently completed fiscal as per the restated Consolidated financial information included in the Offer Documents; and
- ii. where the monetary liability is not quantifiable, or which does not fulfil the threshold specified in above, but an outcome of which could nonetheless have a materially adversely effect on the business, prospects, operations, financial position or reputation of the Company;

Pre-litigation notices received by the Relevant Parties from third parties (excluding governmental, statutory or regulatory authorities or notices threatening criminal action) shall, in any event, not be considered as litigation until such time that Relevant Parties are impleaded in proceedings initiated before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

The above policy on materiality shall be without prejudice to any disclosure requirements, which may be prescribed under the Companies Act, 2013 and the rules thereunder with respect to disclosure of litigation, notices, disputes and other proceedings in the offer documents or by SEBI and/or such other applicable authority with respect to listed companies or disclosure requirements as may be prescribed by SEBI through its observations on the offer documents, or disclosures that may arise from any investor or other complaints. In this regard, it is clarified that the above policy on materiality is solely from the perspective of disclosure requirements prescribed under the SEBI ICDR Regulations with respect to the offer documents and should not be applied towards any other purpose.

D. AMENDMENT

The Board (including its duly constituted committees wherever permissible), shall have the power to amend any of the provisions of this Materiality Policy, substitute any of the provisions with a new provision or replace this Materiality Policy entirely with a new Policy. This Materiality Policy shall be subject to review / changes as may be deemed necessary and in accordance with regulatory amendments from time to time.

For **ICON FACILITATOR LIMITED**

SD/-

Dinesh Makhija
Chairman & Director
DIN: 06629656

Date: September 10, 2024
Place: New Delhi