



## PROJECT LITMUS | MATERIALITY POLICY

### INTRODUCTION

This policy (“**Policy**”) has been formulated to define the respective materiality policies in respect of the proposed initial public offering of the equity shares of Laser Power & Infra Limited (the “**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 companies to be disclosed as group companies in the Offer Documents (as defined below) and litigation involving the group companies of the Company which have a material impact on the Company;
- B. Identification of all outstanding ‘material’ litigation involving the Company, its promoters, its directors and its subsidiaries (in addition to the disciplinary actions against the promoters, criminal proceedings, statutory/regulatory actions and taxation matters); and
- C. Identification of ‘material’ creditors of the Company.

### APPLICABILITY

The board of directors of the Company (“**Board**”) at their meeting held on 26<sup>th</sup> September, 2025, discussed and approved this Policy. This Policy shall be effective from the date of approval of policy by the Board.

In this 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 and/or submitted by the Company in connection with the proposed initial public offering of its equity shares with the Securities and Exchange Board of India (“**SEBI**”), the Registrar of Companies, West Bengal at Kolkata and/or the 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 ascribed to such terms in the Offer Documents.

#### **A. Identification of companies to be disclosed as group companies in the Offer Documents**

##### *Requirement:*

As per the requirements of the SEBI ICDR Regulations, group companies include such companies (other than the subsidiaries and the promoters) with which there were related party transactions, during the period for which financial information is disclosed in the Offer Document(s), as covered under Ind AS 24, and also other companies as considered material by the Board.

The policy on identification of companies to be disclosed as group companies (other than those covered under Ind AS 24), as below, shall be disclosed in the Offer Documents.

##### *Policy on materiality:*

For the purpose of disclosure in the Offer Documents, a company shall be considered material and will be disclosed as a “group company” in the Offer Documents if:

- (i) The Company has entered into related party transactions with companies as described under Ind AS 24 with such company during any of the financial periods being included in the Offer Documents; and
- (ii) any other company as may be identified as material by the Board.

With respect to (ii) above, such companies shall be considered material that are a part of the promoter group and have entered into one or more transactions with the Company during the most recent financial year or relevant stub period, if any, as per the Restated Consolidated Financial Information of the Company disclosed in the Offer

Documents, which individually or in the aggregate, exceed 10% of the restated consolidated total income of the Company for such period.

The relevant financial information of the group companies identified, based on the above approach, will be disclosed on the website of respective group companies in accordance with the SEBI ICDR Regulations.

**B. Identification of ‘material’ litigation involving the Company, its promoters, its directors and its subsidiaries (in addition to the 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 promoters, its directors and its subsidiaries (individually referred to as such and collectively as “**Relevant Parties**”):

- (i) All outstanding criminal proceedings;
- (ii) All outstanding actions by regulatory authorities and statutory authorities;
- (iii) Disciplinary actions including penalty imposed by SEBI or stock exchanges against the promoters in the last five financial years preceding the Offer Document, including outstanding actions;
- (iv) Outstanding claims related to direct and indirect taxes, in a consolidated manner, giving the number of cases and total amount; and
- (v) Other pending litigations based on lower of threshold criteria mentioned below:
  - a) As per the policy of materiality defined by the Board and disclosed in the Offer Documents; or
  - b) Litigation where the value or expected impact in terms of value, exceeds the lower of the following:
    - 1. two percent of turnover, as per the latest annual Restated Consolidated Financial Information of the Company, as disclosed in the Offer Documents; or
    - 2. two percent of net worth, as per the latest annual Restated Consolidated Financial Information of the Company, as disclosed in the Offer Documents, except in case the arithmetic value of the net worth is negative; or
    - 3. five percent of the average of absolute value of profit or loss after tax, as per the last three annual Restated Consolidated Financial Information of the Company, as disclosed in the Offer Documents.

Additionally, in accordance with the SEBI ICDR Regulations, the Company shall disclose the following in the Offer Documents, (i) all outstanding criminal proceedings involving the key managerial personnel and senior management of the Company; and (ii) all outstanding actions by regulatory and statutory authorities against the key managerial personnel and senior management of the Company.

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 on the Company. Any pending litigation involving the group companies (as identified above) 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, prospects, operations, performance, financial position or reputation of the Company in accordance with provisions of the SEBI ICDR Regulations.

*Policy on materiality:*

Other than litigations mentioned in points (i) to (iv) above, any other pending litigation involving the Relevant Parties would be considered ‘material’ for the purpose of disclosure in the Offer Documents, if:

- I. *Monetary threshold:* The monetary amount of claim or amount involved by or against the Relevant Parties in any such pending proceeding is in excess of (i) 2% of turnover, as per the latest annual Restated Consolidated Financial Information of the Company, as disclosed in the Offer Documents; (ii) 2% of net worth, as per the latest annual Restated Consolidated Financial Information of the Company, as disclosed in the Offer Documents, except in case the arithmetic value of the net worth is negative; or (iii) 5% of the average of absolute value of profit or loss after tax, as per the last three annual Restated Consolidated Financial Information of the Company, as disclosed in the Offer Documents, whichever is lower.
- II. *Subjective threshold:* Such pending matters which are not quantifiable or do not exceed the monetary threshold, involving the Relevant Parties, whose outcome, in the opinion of the Board, would materially and adversely affect the Company's business, prospects, performance, operations, financial position, reputation or cash flows or where a decision in one case is likely to affect the decision in similar cases even though the amount involved in the individual cases may not exceed the monetary threshold.
- III. *Tax matters:* In the event any tax matters involve an amount exceeding the monetary threshold proposed in (i) above, in relation to the Relevant Parties, individual disclosures of such tax matters will be included.
- IV. Outstanding proceedings under Section 138 of the Negotiable Instruments Act, 1881, shall be disclosed in a consolidated manner, giving the number of cases and total amount. In the event any matter involves an amount exceeding the monetary threshold proposed in (i) above, in relation to the Relevant Parties, individual disclosures of such matters will be included.

It is clarified that for the purpose of the litigation approach, unless otherwise decided by the Board, pre-litigation notices received by the Relevant Parties, key managerial personnel and senior management of the Company from third parties (excluding actions as covered in (ii) and (iv) above or notices threatening criminal action or first information reports) shall, in any event, not be considered as litigation until such time that Relevant Parties, key managerial personnel and senior management of the Company are impleaded as defendants or respondents in litigation proceedings before any judicial/arbitral forum or governmental authority or such matters where the summons have not been received by the Relevant Parties, key managerial personnel and senior management of the Company.

Additionally, for the purposes of (ii) above, unless otherwise decided by the Board, notices issued by statutory or regulatory authorities received by the Relevant Parties, key managerial personnel and senior management of the Company, which are correspondences in the ordinary course of business for the Relevant Parties, key managerial personnel and senior management of the Company have not been considered as litigation. For the purposes of (iv) above, show cause notices, demand notices and any claims received in writing by the Relevant Parties have been considered for disclosing the number of cases and total amount in relation to claims related to direct and indirect taxes in a consolidated manner, and requests for information or clarifications, if any, received without any claim amount have not been considered.

With respect to outstanding litigations involving the group companies, only such outstanding litigations shall be disclosed in the Offer Documents, that could have a material impact on the Company in the opinion of the Board. All group companies are required to identify in their certificates pending litigation involving such companies which are considered material by the respective group company and which, in their view may have a material impact on the Company. Having received details of such litigation from the group companies, the Company (acting through its Board/IPO Committee) will determine which of such identified litigation may have a material impact on the Company.

### **C. Identification of 'material' creditors**

#### *Requirement:*

As per the requirements of the SEBI ICDR Regulations, the Company shall make relevant disclosures in the Offer Documents and on the website of the Company for outstanding dues to creditors as follows:

- (i) Based on the policy on materiality defined and adopted by the Board, details of the Company's 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 (“**MSME**”) 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 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 in the Offer Documents.

*Policy on materiality:*

For identification of material creditors, a creditor of the Company shall be considered to be material for the purpose of disclosure in the Offer Documents, if the amounts due to such creditor equals to or exceeds 5% of the restated consolidated total trade payables of the Company as of the end of the latest financial period covered in the Restated Consolidated Financial Information disclosed in the Offer Documents. For outstanding dues to MSME and other creditors, 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.

**GENERAL**

It is clarified that the Policy is solely for the purpose of disclosure requirements prescribed under the SEBI ICDR Regulations with respect to the Offer Documents, and should not be applied towards any other purpose, including for disclosure of material information by listed entities pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

The Policy shall be without prejudice to any disclosure requirements, which may be prescribed by SEBI and/or such other regulatory, judicial, quasi-judicial, governmental, administrative or statutory 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.

This Policy shall be subject to review/changes as may be deemed necessary by the Board/IPO Committee and in accordance with regulatory amendments from time to time.