

HY-TECH ENGINEERS LIMITED

**POLICY ON MATERIALITY AS ADOPTED BY THE BOARD OF DIRECTORS OF
THE COMPANY**

INTRODUCTION

This policy (the “**Policy**”) has been formulated to define the respective materiality policies in respect of Hy-Tech Engineers Limited (the “**Company**”), pursuant to the disclosure requirements under Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “**SEBI ICDR Regulations**”), in respect of the following:

- A. Identification of **Group Companies**;
- B. Identification of **material litigation**; and
- C. Identification of **material outstanding dues to creditors**.

APPLICABILITY

This Policy shall be effective from the date of approval of the Policy by the board of directors of the Company (“**Board**”). In this Policy, the term “**Offer Documents**” shall mean the draft red herring prospectus, the red herring prospectus and the prospectus and any addendum or corrigendum thereto, 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**”), Registrar of Companies, Mumbai at Maharashtra (the “**RoC**”) and/or stock exchanges where the equity shares of the Company are proposed to be listed (the “**Stock Exchanges**”), as applicable.

All other capitalised terms not specifically defined in this Policy shall have the meanings ascribed to such terms in the Offer Documents.

A. Identification of companies to be disclosed as Group Companies

Requirement:

As per the requirements of the SEBI ICDR Regulations, “**Group Companies**”, wherever the term occurs, shall include (a) such companies (other than promoter(s) and subsidiary/ subsidiaries) with whom there have been related party transactions, reported during the period for which the financial information is required to be disclosed in the Offer Document, as covered under the applicable accounting standards; and (b) such other companies as considered material by the Board. The policy on materiality for determination of such companies as considered material by the Board for para (b) above, shall be disclosed in the Offer Document as under.

Policy on Group Companies:

The following companies shall be considered to be Group Company(ies) of the Company under the Offer Document:

- (i) The companies (other than the Company's subsidiary(ies)) with which there have been related party transactions, as per Ind AS 24 and as disclosed in the Restated Consolidated Financial Statements ("**Relevant Period**"), and
- (ii) such companies that are a part of the promoter group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations , and with which there were transactions in the most recent financial year, as disclosed in the Restated Consolidated Financial Statements included in the Offer Documents, of a value exceeding individually or in the aggregate, 10% of the total revenue of the Company for the last completed Fiscal as per the Restated Consolidated Financial Statements.

For the avoidance of doubt, it is clarified that the above policy on materiality shall be without prejudice to any disclosure requirements, which may be prescribed by SEBI and/ or such other applicable authority with respect to listed companies and 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.

B. Identification of material litigation

Requirement:

As per the requirements of the SEBI ICDR Regulations, the Company shall disclose the following outstanding litigations involving the Company, its directors, its subsidiary and its promoters (collectively the "**Relevant Parties**") in the Offer Documents:

- (i) all outstanding criminal proceedings (including first information report).
- (ii) all outstanding actions by statutory authorities and regulatory authorities.
- (iii) all outstanding claims related to direct and indirect tax matters to be disclosed in a consolidated manner, giving details of number of cases and total amount; and
- (iv) any other pending litigation, involving the Relevant Parties, which is determined to be material by the Board; or
- (v) pending litigation involving the Group Companies which may have a material impact on the Company.

Policy on materiality:

For the purpose of identification of para (iv) above, any pending litigation involving the Relevant Parties would be considered 'material' for the purpose of disclosure in the Offer Documents, if:

- (i) if the aggregate claim or amount involved in such litigation, to the extent quantifiable, exceeds 5% of the Company's profit after tax for the last completed Fiscal as per the Restated Consolidated Financial Statements; or

- (ii) In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation shall be considered 'material' only in the event that the outcome of such litigation has a material adverse impact on the business, operations, performance, prospectus, reputation, results of operations or cash flows of the Company, irrespective of the amount involved in such litigation. This will also include civil litigations where the decision in one case is likely to affect the decision in similar cases even though the amount involved in an individual litigation may not exceed the amount equivalent to 5% of the profit after tax for the last completed Fiscal as per the Restated Consolidated Financial Statements.

Further, disciplinary actions (including penalty) imposed by SEBI or recognized stock exchanges against the promoters in the last five financial years immediately preceding the date of the relevant Offer Document, including outstanding action shall be disclosed in the Offer Document.

It is clarified that for the purposes of the Materiality Policy, pre-litigation notices (other than those received from governmental, statutory, regulatory, judicial or tax authorities), have not been considered material and/ or have not been disclosed as pending matters until such litigation proceedings have been initiated against the Relevant Parties before any judicial or arbitral forum.

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 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.

C. Identification of material outstanding dues to creditors

Requirement:

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

- (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) A link to the Company's website wherein complete details pertaining outstanding overdues to material creditors along with the names and amounts involved for each such material creditor will be hosted. .

Policy on Materiality with respect to outstanding dues to creditors:

For the purpose of identification of material creditors for disclosure in the Offer Documents in terms of para (i) above, outstanding dues to any creditor (on the basis of amounts derived from the head "Trade Payables" on a consolidated basis (as applicable) of the Company having a monetary value which exceeds 5% of total amounts due derived from the head "Trade Payables" as of the latest period in Restated Consolidated Financial Statements of the Company included in the Offer Document shall be considered to be 'material'.

It is clarified that the above policy on materiality of creditors shall be without prejudice to any disclosure requirements, which may be prescribed by SEBI and/ or such other applicable authority with respect to listed companies and 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 the website of the Company and should not be applied towards any other purpose.

The above-mentioned policies shall be subject to review / changes as may be deemed necessary and in accordance with applicable law from time to time.

For and on behalf of
Hy-Tech Engineers Limited

Hemant Tukaram Mondkar
Director
DIN: 00060995

Date: July 22, 2025
Place: Thane