

POLICY ON IDENTIFICATION OF MATERIAL CREDITORS AND MATERIAL LITIGATIONS

A. INTRODUCTION

This Policy has been formulated to define the materiality for identification of outstanding material litigation, identification of group companies and outstanding dues to material creditors in respect of **Absolute projects (India) Limited** (the "**Company**") and its Directors, pursuant to the disclosure requirements under Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as may be amended from time to time ("**SEBI ICDR Regulations**").

B. APPLICABILITY AND OBJECTIVE

This policy shall be called the 'Policy on Identification of Material Creditors, Group Companies and Material Litigations' ("**Materiality Policy**").

The Board of Directors of the Company ("**Board**") at their meeting held on December 3, 2025 discussed and approved this Materiality Policy. This Materiality Policy shall be effective from the date of approval of this Materiality Policy by the Board.

The Company has adopted this Materiality Policy for identification and determination of: (i) material creditors; (ii) group companies and (iii) 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, 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, Delhi ("**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 Materiality Policy shall have the same meanings ascribed to such terms in the Offer Documents.

In this Materiality Policy, unless the context otherwise requires:

1. Words denoting the singular shall include the plural and vice versa;
2. References to the words "include" or "including" shall be construed without limitation.

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

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




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:

1. Based on the policy on materiality defined by the Board of Directors of the Company and as disclosed in the Offer Document, disclosure for such creditors which include the consolidated number of creditors and the aggregate amount involved;
2. 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
3. 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.

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 creditors exceed 5 % of the total consolidated trade payables of the Company as per the latest restated financial statements of the Company, as disclosed in the Offer Documents.

Disclosures in the Offer Documents regarding material creditors

1. 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.
2. 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:
 - aggregate amounts due to such MSME creditors; and
 - aggregate number of such MSME creditors. as of the date of the latest restated financial statements included in the Offer Document.
3. Complete details about outstanding over dues to the material creditors along with the name and amount involved for each such material creditor shall be disclosed on the website of our Company with a web link in the Offer Documents.




Identification of Group Companies

Requirement:

The policy with respect to the identification of the Group Companies of our Company shall be as follows:

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 and disclosed as a Group Company if:

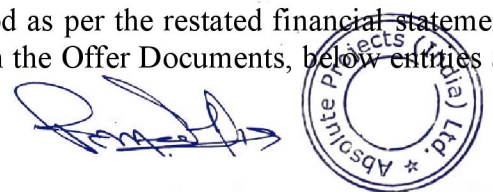
1. such companies (other than promoter) and subsidiary(ies) with which the Company had related party transactions during the period for which Restated Financial Information is disclosed, as covered under applicable accounting standards, and
2. any other companies considered material by the Board of Directors of the Company, in terms of the policy laid down in the paragraph below:

Based on the above-stated definition, for the purposes of paragraph (b) above, a company (other than promoter(s) of the Company and companies covered under the schedule of related party transactions) shall be considered ‘material’ and will be disclosed as a ‘Group Company’ in the respective Offer Documents, if such company is: (i) a member of the promoter group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, and (ii) has entered into one or more transactions with the Company during the most recent financial year and/or the relevant stub period (covered in the Restated Financial Information included in the respective Offer Documents) that individually or in aggregate exceed 10.00% of the total restated revenue of the Company, as per the Restated Financial Information of the Company for the most recent completed financial year and/ or the relevant stub period included in the respective Offer Documents.

In terms of the SEBI (ICDR) Regulations and in terms of the policy of materiality defined by the Board of Directors pursuant to its resolution dated December 3, 2025 our Group Companies includes:

- a) Those companies disclosed as having related party transactions in accordance with Accounting Standard (“AS 18”) issued by the Institute of Chartered Accountants of India, in the Restated Financial Statements of the Company for the last three financial years and stub period.
- b) All such companies which the Board has deemed to be material to be considered as Group Companies / Associates Companies.

Accordingly, as per the most recently completed fiscal or stub period as per the restated financial statements (“**Restated Financial Statements**”) of the Company, as disclosed in the Offer Documents, below entities are identified as Group Companies:



i) Sikar Infra & Research Centre Private Limited

Identification of Material Litigation

Requirement:

As per the requirements of SEBI ICDR Regulations, the Company shall disclose all the litigation involving the Company, its material subsidiaries, its Promoters, its Directors, its Key Managerial Personnel and its Senior Management of the Company related to:

1. All criminal proceedings;
2. All actions by statutory / regulatory 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 details of number of cases and total amount; and
5. Other material pending litigations - as per policy of materiality defined by the Board and disclosed in the Offer Documents.

Policy on materiality:

For the purpose of point number (v) above, any other pending litigation involving the Company, Subsidiaries, Promoters, its Directors, its Key Managerial Personnel and its Senior Management and shall be considered “material” for the purpose of disclosure in the Offer Documents if:-

1. the omission of an event or information, whose value or the expected impact in terms of value exceeds the limits as prescribed under the SEBI Listing Regulations (as amended from time to time) i.e.
 - (i) two percent of turnover, as per the last restated financial statements of the Company; or
 - (ii) two percent of net worth, except in case of the arithmetic value of the net worth is negative, as per the last restated financial statements of the Company;
 - (iii) five percent of the average of absolute value of profit or loss after tax, as per three annual restated financial statements of the Company.

Accordingly, any transaction exceeding the lower of (i), (ii) or (iii) above will be considered for the above purpose.; or

- (i) where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in individual litigation does not exceed the amount determined as per clause (a) above, and the amount involved in all of such cases taken together exceeds the amount determined as per clause (i) above; and
- (ii) any such litigation which does not meet the criteria set out in (i) above and an adverse outcome in which would materially and adversely affect the operations or financial position of the Company.




In addition to the litigation specified in paragraphs above-mentioned, in accordance with the SEBI ICDR Regulations, the Company is also required to disclose any pending litigation involving its group companies, which has a material impact on the Company. Accordingly, based on the review of the information provided to the Company through the certificates provided by the Group Companies, the Board shall consider such outstanding litigation involving the Group Companies as material, if such outstanding litigation are material from the perspective of Company's business, operations, financial results, prospects or reputation, irrespective of the amount involved in such litigation

D. AMENDMENT

The Managing Director of the Company in consultation with the Board of Directors 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.

