



FORTCAPS HEALTHCARE LIMITED

MATERIALITY POLICY

Introduction

This materiality policy ("Policy") has been formulated for the identification of group companies, outstanding litigation and outstanding dues to creditors in respect of Fortcaps Healthcare 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 ("SEBI ICDR Regulations"), which requires the policy of materiality to be disclosed in the offer document.

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 Prospectus/ Prospectus 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, the Registrar of Companies, Delhi and/ or 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 Policy shall have the same meanings as described to such terms in the Offer Documents.

1. Identification of 'Material' Group Companies

2.1 Requirement

As per the Regulation 2(t) of SEBI (ICDR) Regulations 2018, the term "Group Companies", shall include such companies (other than promoter(s) and subsidiary/subsidiaries) 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

2. Outstanding Litigations and Material Developments:

As per the requirements of SEBI (ICDR) Regulations,

2.1 Identification of Material Litigation: the Company shall disclose pending litigation involving the issuer/ its directors/ promoters/ subsidiaries/ group companies:

- i. All criminal proceedings;
- ii. All actions by regulatory authorities and statutory authorities;
- iii. Disciplinary action including penalty imposed by SEBI or stock exchanges against the promoters in the last five financial years including outstanding action;



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- iv. Claims related to direct and indirect taxes, in a consolidated manner, giving the number of cases and total amount;
- v. Other pending litigations As per the policy of materiality defined by the board of directors of the issuer and disclosed in the offer document.

3. Policy on materiality

Other than litigations mentioned in paragraphs 2.1 (i) and (iii) above, any other pending litigation involving the Company, its issuer/ its directors/ promoters/ subsidiaries/ group companies shall be considered "material" for the purpose of disclosure in the Offer Documents if:

- (i) the monetary amount of claim by or against the Company, its Directors, Promoters, Group Companies and Subsidiary in any such pending litigation Rs. 5,00,00,000 as per the last annual consolidated financial statements of the Company, or
- (ii) such pending litigation is material from the perspective of Company's business, operations, prospects or reputation.
- (iii) any such litigation wherein the monetary liability is not quantifiable which is or is expected to be material from the perspective of the Company's business, operations, prospects or reputation.
- (iv) notices received from third parties (excluding statutory/regulatory/tax authorities or notices threatening criminal action) shall, not be evaluated for materiality until such time that any of the Company, are impleaded as defendants in litigation proceedings before any judicial forum

It is clarified that apart from as set forth in this paragraph, the disclosures on outstanding litigation and pending dues to the creditors in the Offer Documents will also include disclosures as specified in the Companies Act, 2013 and rules made thereunder. Further, pre-litigation notices received by the issuer/ its directors/ promoters/ subsidiaries/ group companies shall not be considered as litigation until such time that any of the issuer/ its directors/ promoters/ subsidiaries/ group companies, as the case may be, is made a party to litigation proceedings initiated before any judicial forum.

Furthermore, the above policy on materiality shall be without prejudice to the disclosure requirements 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.



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Identification of Material Creditors: The Company shall disclose Outstanding dues to creditors:

i. Based on the policy on materiality defined by the board of directors of the issuer, details of creditors which include 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;

Additionally, 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

Policy on Materiality:

Dues exceeding Rs. 5,00,00,000 of our Company's trade payables for the last audited standalone financial statements, to small scale undertakings and other creditors as material dues for our Company