GLOBESECURE TECHNOLOGIES LIMITED

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

This materiality policy ("**the Policy**") has been formulated for the identification of group companies, outstanding litigation and outstanding dues to creditors in respect of Globesecure Technologies 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 ("**SEBI ICDR Regulations**"), which requires the policy of materiality to be disclosed in the Draft Offer Document and 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 terms "Draft Offer Document" and "**Offer Document**" shall have the meaning assigned to it under SEBI ICDR Regulations.

A. LITIGATIONS

Requirement:

The Company shall disclose all the litigations involving the Company or its directors or its promoters or its group companies or its subsidiaries, whichever is applicable, relating to:

i. All criminal proceedings;
ii. All actions by statutory / regulatory authorities
iii. Claims related to direct and indirect taxes, in a consolidated manner, giving the number of cases and total amount;
iv. Disciplinary action including penalty imposed by SEBI or stock exchanges against the promoters in the last five financial years including outstanding action;
v. All other pending material litigations – As per the policy of materiality defined by the Company.

Policy on Material Litigation:

a. Other than litigations mentioned in points (i) to (iv) above, any other pending litigation involving the Company or its directors or its promoters or its subsidiaries, whichever is applicable and required to be disclosed under law, would be considered "**material**" for the purpose of disclosure if the aggregate amount involved in such individual litigation exceeds lower of the following:

   I. 2% of the profit after tax of the Company, as per the last audited financial statements or

   II. 2% of net worth as per the latest audited financial statement of our Company or

   III. 5% of the average of absolute value of profit or loss after tax, as per the last 3 years audited financial statements of our Company.

   Any such litigation, an adverse outcome of which would materially and adversely affect our Company's business, prospects, operations, financial position or reputation, irrespective of the amount involved in such litigation.

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 governmental 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 Draft Offer Document and Offer Document and should not be applied towards any other purpose.

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 Draft Offer Document and Offer Document.

B. GROUP COMPANIES

Requirement:

As per the requirements of the SEBI ICDR Regulations, "**Group companies**", wherever the term occurs, shall include 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 Draft

Offer Document and Offer Document as per SEBI ICDR Regulations, as covered under the applicable accounting standards, and also other companies as considered material by the Board. The policy on materiality for determination of such companies as considered material by the Board, as below, shall be disclosed in the Draft Offer Document and Offer Document.

Policy on Material Group Companies:

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

(i) company in which the investment in the form of equity or voting power debt or debt instruments by our Company exceeds 25 % of the net worth of our Company as per the last audited financial statements for the preceding financial year; and

(ii) where the Company has entered into one or more transactions with such company in the last audited financial year, cumulatively exceeding 5 % of the total revenues of our Company as per the last audited financial statements for the preceding financial year.

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 Draft Offer Document and Offer Document and should not be applied towards any other purpose.

C. OUTSTANDING DUES TO CREDITORS

Requirement:

As per the requirements of SEBI ICDR Regulations, the Company shall make relevant disclosures in the Draft Offer Document and Offer Document for outstanding dues to creditors:

(i) Based on the policy on materiality of the Board of the Company, 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;

(iii) Complete details about outstanding overdues to material creditors as per (i) and (ii) above along with the name and amount involved for each such material creditor shall disclosed, on the website of the Company with a web link thereto.

Policy on Materiality with respect to outstanding dues to creditors:

The Company shall disclose complete details of outstanding dues to creditors (excluding banks and financial institutions from whom the Company has availed of financial facilities) if the amount due to any one of them exceeds 5 % of the trade payables of the Company as per the last audited financial statements of the Company included in the Draft Offer Document and Offer Document.

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 Draft Offer Document and Offer Document and the website of the Company and should not be applied towards any other purpose.