

FUSION KLABSROOM EDUTECH LIMITED
(FORMERLY KNOWN AS “FUSION KLABSROOM EDUTECH PRIVATE LIMITED”)

**REGISTERED OFFICE: MATRUPRABHA, PLOT NO. 78, CTS NO. - 2731,
DAULAT NAGAR ROAD 7, BORIVALI (EAST), MUMBAI - 400066.**

**POLICY ON IDENTIFICATION OF GROUP COMPANIES, MATERIAL
CREDITORS AND MATERIAL LITIGATIONS**

❖ INTRODUCTION

This materiality policy (“Policy”) has been formulated to define the respective materiality thresholds in respect of **Fusion Classroom Edutech Limited** (Formerly Known as “**Fusion Classroom Edutech Private 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 from time to time) (“SEBI ICDR Regulations”), in respect of the following:

- A. Identification of ‘material’ companies to be disclosed as group companies;
- B. Identification of ‘material’ outstanding litigation involving Company, its promoters, its directors, its subsidiary; and
- C. Identification of ‘material’ creditors.

❖ OBJECTIVE

In view of the SEBI ICDR Regulations, the Board of Directors (“Board”) of **Fusion Classroom Edutech Limited** (“Company”) has adopted this policy and procedures for determination of:

- i. Companies which are considered to be material as a Group company of the Company within the meaning of ‘Group Company’ defined under the Regulation;
- ii. Material Creditors; and
- iii. Material Litigation.

This policy shall be called the ‘Policy on Identification of Group Companies, Material Creditors and Material Litigations’ (“Policy”).

❖ INTERPRETATION

In this Policy, unless the context otherwise requires:

- a. Words denoting the singular shall include the plural and vice versa.
- b. References to the words “include” or “including” shall be construed without limitation.

❖ IDENTIFICATION OF GROUP COMPANIES

As per schedule VI of the Regulation, the Company is required to define materiality policy, for identification and disclosure of “**Group Companies**” in its draft prospectus/prospectus as:

“The words “group companies”, wherever they occur, shall include such companies as covered under applicable accounting standards and also other companies as considered material by the board of the issuer.”

For the purpose of identification of “**Group Companies**”, our Company has considered those companies as our Group Companies which is covered under the applicable accounting standard (AS-18) issued by the Institute of Chartered Accountants of India as per Restated Financial Statements and also other companies as considered material by the Board of the issuer pursuant to the Regulation.

The materiality Policy framed by the Board covers such Companies as Our Group Companies which forms part of the Promoter Group of our Company in terms of Regulation 2(1)(pp)(iv) of the SEBI Regulations;

❖ IDENTIFICATION OF MATERIAL OUTSTANDING CREDITORS

Our Company is required to disclose pursuant to Para 12(A)(2) of Part A of Schedule VI of the Regulation in the Draft Prospectus/ Prospectus, the details of the outstanding dues to creditors: (i) based on the policy on materiality of our Board, complete disclosure for such creditors; and (ii) consolidated information on outstanding dues to small scale undertakings and other creditors, separately giving details of number of cases and amount involved. Additionally, our Company is required to provide complete details about outstanding dues to creditors as per (i) and (ii) above on the webpage of our Company with a web link thereto in the Draft Prospectus/ Prospectus which is as follows:

For identification of material creditors, any creditor of the Company shall be considered to be material, if the amount due to any one of them exceeds ten percent (10.00%) of Profit after Tax of the Company as per the Restated Financial Statements of our Company for the last full Financial Year.

❖ IDENTIFICATION OF MATERIAL OUTSTANDING LITIGATIONS

For the purposes of disclosure pursuant to Para 12(A)(1) of Part A of Schedule VI of the SEBI Regulations and the Materiality Policy, following litigation are considered material for disclosure in Draft Prospectus/ Prospectus of our Company:-

- a) All criminal proceedings, statutory or regulatory actions and taxation matters, involving our Company, Promoters, Directors, or Group Companies, as the case may be shall be deemed to be material;
- b) All pending litigation involving our Company, Promoter, Directors, or Group Companies as the case may be, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered 'material' (a) the monetary amount of claim by or against the entity or person in any such pending matter(s) is in excess of 10% of Profit After Tax as per the latest restated financial information; or (b) where the monetary liability is not quantifiable, each such case involving our Company, Promoter, Directors, or Group Companies, whose outcome would have a bearing on the business operations, prospects or reputation of our Company and as required under the SEBI Regulations have been disclosed on our website at <https://www.klassroom.in>.
- c) Notices received by our Company, Promoter, Directors, or Group Companies, as the case may be, from third parties (excluding statutory/regulatory authorities or notices threatening criminal action) shall, in any event, not be evaluated for materiality until such time that the Company Directors, Promoter, Group Companies, as the case may be, are impleaded as parties in proceedings before any judicial forum.
- d) Our Company, our Promoter and/or our Directors, have not been declared as willful defaulters by the RBI or any governmental authority, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI and no disciplinary action has been taken by the SEBI or any stock exchanges against our Company, our Promoter or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.

In addition, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2025 also require disclosure of pending litigations based on the lower of threshold criteria mentioned below:

- (i) As per the policy of materiality defined by the board of directors of the issuer and disclosed in the offer document; or
- (ii) Litigation where the value or expected impact in terms of value, exceeds the lower of the following:
 - a. two percent of turnover, as per the latest annual restated financial information of the issuer,; or
 - b. two percent of net worth, as per the latest annual restated financial information of the issuer, except in case the arithmetic value of the net worth is negative; or
 - c. five percent of the average of absolute value of profit or loss after tax, as per the last three annual restated financial information of the issuer.

All pending litigation involving our Company, Directors, Promoters and Group Companies, other than criminal proceedings and statutory or regulatory actions, would be considered 'material' if the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of ten percent (10.00%) of the profit after tax of our Company as per the Restated Financial Statements of our Company for the last full Financial Year.

For the purposes of determining material litigation(s) involving our Directors in (iv) above, our Board shall consider all outstanding litigation involving each Director and it believes that if any such litigation has an adverse outcome and therefore, would materially and adversely affect the reputation, operations or financial position of our Company, it shall be considered as material litigation and accordingly, each of our directors shall identify and provide information relating to such outstanding litigation involving themselves.

❖ **AMENDMENT**

Any change in the Policy shall be approved by the Board of the Company. The Board shall have the right to withdraw and/ or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

❖ **DISSEMINATION OF THE POLICY**

The policy shall be hosted on the website of the Company i.e. www.klassroom.in
