

# Surevin BPO Services Ltd.

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## POLICY ON DETERMINATION OF MATERIALITY OF EVENTS

### DISCLOSURES OF MATERIAL GROUP COMPANIES, MATERIAL OUTSTANDING LITIGATIONS AND OUTSTANDING DUE TO CREDITORS IN THE OFFER DOCUMENTS ISSUED IN PURSUANCE OF THE PROPOSED INITIAL PUBLIC OFFERING OF THE COMPANY

It was noted that in view of the proposed initial public offering of the Company, as per Schedule VIII of Securities and Exchange of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations"), for the purpose of disclosure in the Draft Red Herring Prospectus, Red Herring Prospectus, the Prospectus or any other offer documents related to the proposed initial public offering (collectively "Offer Documents"), the Board is required to formulate materiality policies for (i) determining material group companies; (ii) determining material outstanding litigations involving the Company, its directors, its promoters, its group companies and its subsidiaries; and (iii) determining materiality for the purpose of disclosure of outstanding dues owed to small scale undertaking and other creditors.

#### 1. Material Group Companies / Entities

It was noted that the SEBI ICDR Regulations *inter-alia* define 'Group Companies / Entities' to include those companies that are covered under the applicable accounting standards as well as those companies that are considered material by the Board. The Board has to consider and approve the materiality policy based on which material group companies/ entities will be determined and disclosures pertaining to which, shall be made in the Offer Documents. After discussion, the Board passed the following resolutions:

"RESOLVED THAT the companies included in the list of related parties of the Company under Accounting Standard 18, shall be considered as group companies/ entities of the Company for the purpose of disclosure in the offer documents to be filed in relation to the Company's proposed Initial Public Offering.

"RESOLVED FURTHER THAT a company shall be considered material and will also be disclosed as a group company if:

- such company forms part of the Promoter Group of the Company in terms of Regulation 2(1)(zb) of the SEBI ICDR Regulations;
- where the Company has entered into one or more transactions with such company in the previous audit fiscal year / period cumulatively exceeding 10% of the total revenue of our Company for such fiscal or audit period, as the case may be".

#### 2. Materiality of Outstanding Litigations involving the Company and , Directors, Promoters and Group Companies/ Entities

It was noted that SEBI ICDR Regulations *inter-alia* mandate that the Offer Documents must contain disclosures pertaining to all criminal proceedings, all actions by statutory/regulatory authorities and tax related litigations involving the issuer, its directors, its promoters and its group companies/ entities. Further, the Board must define a materiality policy to determine the other pending material outstanding litigations involving the Company, its directors, its promoters and its group companies/ entities, which need to be disclosed in the Offer Document(s) in relation to its proposed initial public offering. The Board has to consider and approve the materiality policy based on which the said outstanding litigations shall be disclosed in the offer document. After discussions, the Board passed the following resolutions:

"RESOLVED THAT in view of the disclosure of all pending litigation involving the Company, its directors, promoters and group companies, other than criminal proceedings, statutory or regulatory actions and taxation matters where the monetary amount of claim by or against the entity or person in any such pending matter(s)



*is in excess of 1% of the profit after tax of our Company as per the last audited financial statement and such pending cases are material from the perspective of the Issuer's business, operations, prospects or reputation."*

3. **Material Outstanding Dues to Creditors**

It was noted that the SEBI ICDR Regulations *inter-alia* mandate that the Board needs to disclose material outstanding dues to the small scale undertakings and other creditors for the purpose of disclosure in the Offer Documents in relation to its proposed initial public offering, in accordance with the policy of materiality defined by the Board. The Board has to consider and approve the materiality policy based on which the said outstanding dues shall be disclosed in the Offer Documents. After discussions, the following resolutions were passed by the Board:

**"RESOLVED THAT** in view of the nature and extent of outstanding dues of the Company and the nature and extent of the business operations undertaken by the Company, the dues owed by the Company to the small scale undertakings and other creditors, where outstanding due to any of them exceeds 5% of the consolidated trade payables as per the last audited financial statements of the issuer shall be considered as material dues for the Company.

**"RESOLVED FURTHER THAT** the details of outstanding dues to such small scale undertakings and other creditors shall be uploaded on the webpage of the Company as required under the SEBI ICDR Regulations."

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