TAHMAR ENTERPRISES LIMITED

MATERIALITY POLICY FOR OUTSTANDING LITIGATION AND DUES TO CREDITORS

Set out below are the materiality thresholds for: (i) disclosure of outstanding litigation involving Tahmar Enterprises Limited (the "**Company**"), its subsidiaries, its promoters and its directors ("**Relevant Parties**"); which are not categorized as (a) criminal proceedings, (b) actions by statutory and/ or regulatory authorities, (c) disciplinary action including penalty imposed by SEBI or stock exchanges against the promoters of the Company, [or (d) taxation proceedings]; (ii) disclosure of litigation involving the group companies of the Company which have a material impact on the Company; and (iii) determination of material creditors, in accordance with the Securities and Exchange Board of India Regulations, as amended ("**SEBI Regulations**").

A. LITIGATION INVOLVING RELEVANT PARTIES

(a) All outstanding criminal proceedings must be disclosed (including matters which are at FIR stage even if no cognizance has been taken by any court);

(b) All outstanding actions by regulatory and statutory authorities must be disclosed and with respect to promoters, disciplinary action including any penalty imposed by SEBI or stock exchanges against them in the last five financial years preceding the relevant offer document (including outstanding action) to be also disclosed in the relevant offer document;

(c) All outstanding claims related to direct and indirect tax matters must be disclosed in a consolidated manner, giving the number of cases and total amount involved in such cases If a tax matter involves an amount exceeding the threshold proposed in d(i) below, in relation to each Relevant Party, a separate disclosure of such tax matter will be included ; and

(d) Details of any other pending litigation, involving the Relevant Parties, which are determined to be material as per the policy defined by the board of directors of the Company.

(i) For purposes of (d), all outstanding litigation or arbitration proceedings (other than litigations as covered under (a) to (c) above) involving the Relevant Parties shall be disclosed, if: the monetary amount of claim by or against the entity or person in any such pending proceeding exceeds the lower of the following:

(x) two percent of turnover, as per the last restated annual consolidated

financial statements included in the offer documents of the Company; or

(y) two percent of net worth, as per the last restated annual consolidated financial statements included in the offer documents of the Company, except in case the arithmetic value of the net worth is negative; or

(z) Five percent of the average of the absolute value of profit or loss after tax, as per the last three restated annual consolidated financial statements included in the offer documents of the Company.

For the purpose of clause (z) above, it is clarified that the average of absolute value of profit or loss after tax is to be calculated by disregarding the 'sign' (positive or negative) that denotes such value.

(ii) Where the monetary liability is not determinable or quantifiable or which does not exceed the materiality threshold as specified in (d)(i) above for any other outstanding litigation or arbitration proceedings, but the outcome of any such pending proceedings may have a material bearing on the business, operations, performance, prospects or reputation of the Company or where a decision in one case is likely to affect the decision in similar cases such that the cumulative amount involved in such cases exceeds the materiality threshold in (d)(i) above, even though the amount involved in the individual cases may not exceed such materiality threshold.

Please note:

Pre-litigation notices received by the Relevant Parties from third parties (excluding notices from statutory, regulatory or tax authorities or notices threatening criminal action) shall not be evaluated for materiality and shall not be considered as litigation until such persons are impleaded as defendants or respondents in proceedings before any judicial forum, arbitral forum, tribunal or governmental authority.

B. LITIGATION INVOLVING GROUP COMPANIES

In accordance with the SEBI Regulations, the group companies of an issuer company include: (i) such companies (other than the subsidiary (ies) of the issuer company) with which the issuer company had related party transactions, during the period for which financial information will be disclosed in the offer documents, as covered under the applicable accounting standards and (ii) any other companies considered 'material' by the board of directors of the relevant issuer company.

Under the SEBI Regulations, any litigation involving the group companies is required to be disclosed if it has a material impact on the Company. All group companies will identify pending litigation involving such companies which are considered material by the respective group company and which, in their view may have a material impact on the Company. Accordingly, based on the review of certificates provided by the group companies, the Company (acting through its Board) will determine which of these identified litigation may have a material impact on the Company from the perspective of Company's business, operations, financial results, prospects or reputation, irrespective of the amount involved in such litigation.

C. MATERIAL CREDITORS

In terms of the SEBI Regulations, the Company is required to make the following disclosures in the offer documents for outstanding dues to creditors:

(a) based on the policy on materiality adopted by the Board of Directors and as disclosed in the offer documents, details of the Company's creditors, including the consolidated number of creditors and the aggregate amount involved;

(b) consolidated information on outstanding dues to micro, small and medium enterprises (MSME) and other creditors, separately giving details of number of cases and amount involved; and

(c) a link to the Company's website wherein details pertaining to the outstanding over-dues to material creditors along with names and amounts involved for each such material creditor.

For the purpose of identifying material creditors for (c), creditors of the

Company to whom the amount due by the Company exceeds 5% of the total trade payables of the Company as of the latest date of the restated consolidated financial statements will be considered material creditors for disclosure.

For outstanding dues to MSME and other creditors, the disclosure will be based on information available with the Company regarding the status of the creditors as MSME 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.

GENERAL NOTES:

1. The above-mentioned policies are solely for the purpose of disclosure requirements under the SEBI Regulations should be applied for purpose of, in particular, disclosures that are required to be made by listed companies pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or as may be prescribed by SEBI or any other regulatory or statutory authority.

2. The absolute values of the thresholds mentioned above will be determined once the restated consolidated financial statements are made available.

3. This policy shall be subject to review/ changes as may be deemed necessary by the Board and in accordance with regulatory amendments from time to time. This policy shall be without prejudice to any additional disclosure requirement which may be prescribed by SEBI or the Stock Exchanges, including through any observations on the offer documents.