PENTACLE®

MATERIALITY POLICY

INTRODUCTION

This policy ("**Policy**") has been formulated to define the respective materiality policies in respect of **Pentacle Consultants (I) Limited *(Formerly known as Pentacle Consultants (I) Private 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 (as amended from time to time) ("**SEBI ICDR Regulations**"), in respect of the following:

A. Identification of companies to be disclosed as Group Companies in the Offer Documents (as defined below);
B. Identification of 'material' litigation involving the Company, its subsidiaries, its promoters, its directors, its key managerial personnel, senior management personnel and group companies to be disclosed in the Offer Documents (as defined below); and
C. Identification of 'material' creditors of the Company.

APPLICABILITY

The board of directors of the Company ("**Board**") at their meeting held on 19th September 2026 discussed and approved this, Policy. This Policy shall be effective from the date of approval of the policy by the Board.

In this Policy, the term "**Offer Documents**" shall mean the draft red herring prospectus ("**DRHP**"), the red herring prospectus and the prospectus, including any addendum or corrigendum thereto 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 ("**SEBI**"), the Registrar of Companies, Maharashtra at Mumbai and/or the stock exchanges where the equity shares of the Company are proposed to be listed, as applicable.

All other capitalised terms not specifically defined in this Policy shall have the same meanings ascribed to such terms in the Offer Documents.

A. Identification of companies to be disclosed as group companies in the Offer Documents

Requirement:

As per the requirements of the SEBI ICDR Regulations, 'group companies' of an issuer company shall include such companies (other than the promoters and subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed in the Offer Document(s), as covered under Ind AS 24, and also other companies as considered material by the Board.

The policy on identification of companies to be disclosed as group companies (other than those covered under Ind AS 24), as below, shall be disclosed in the Offer Documents.

Policy on materiality:

For the purpose of disclosure in the Offer Documents, a company shall be disclosed as a 'Group Company' in the Offer Documents if:

(i) The Company has entered into related party transactions with companies (other than the corporate promoter and subsidiaries) as described under Ind AS 24 during any of the financial periods being included in the Offer Documents;

(ii) any other company as may be identified as material by the Board.

PENTACLE CONSULTANTS (I) LIMITED MUMBAI

In addition, for the purpose of (ii) above, a company (other than the corporate promoter, subsidiaries and companies categorised in (i) above) will be considered material and shall be disclosed as a group company in the Offer Documents if: (a) such company is a member of the promoter group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations; and (b) the Company has entered into one or more transactions with such company during the last fiscal year and stub period, as applicable, in respect of which restated consolidated financial information is included in the Offer Documents, which cumulatively exceeds 10% of the total revenue of the Company for such period derived from the restated consolidated financial information.

B. Identification of 'material' litigation involving the Company, its subsidiaries, its promoters, its key managerial personnel, senior management personnel and group companies to be disclosed in the Offer Documents

Requirement:

As per the requirements of SEBI ICDR Regulations, the Company shall disclose the following pending litigation involving the Company, its Directors, Promoters and Subsidiaries in the Offer Documents (collectively "**Relevant Parties**"):

(i) All outstanding criminal proceedings, including matters which are at first information report stage whether cognizance has been taken or not by any court or judicial authority;
(ii) All outstanding actions by regulatory authorities and statutory authorities, including notices by such authorities (including any judicial, quasi-judicial, administrative authorities or enforcement authorities);
(iii) Disciplinary actions including penalty imposed by SEBI or stock exchanges against the Promoters in the last five financial years including outstanding action;
(iv) Outstanding claims related to direct and indirect taxes, in a consolidated manner, giving the number of cases and total amount; and
(v) Other pending litigations (including civil litigations or arbitration proceedings) involving the Relevant Parties, which are determined to be material as per the policy of materiality defined by the Board and disclosed in the Offer Documents.

As per the SEBI ICDR Regulations, the Company shall disclose the following pending litigation involving the key managerial personnel and senior management of the Company:

(i) all criminal proceedings including matters which are at first information report stage whether cognizance has been taken or not by any court or judicial authority; and
(ii) all outstanding actions by regulatory authorities and statutory authorities, including notices by such authorities (including any judicial, quasi-judicial, administrative authorities or enforcement authorities).

Further, as per the requirements of SEBI ICDR Regulations, the Company shall also disclose such outstanding litigation (including civil litigations or arbitration proceedings) involving the group companies which has a material impact on the Company. Any pending litigation (including civil litigations or arbitration proceedings) involving the group companies, as identified in accordance with provisions of SEBI ICDR Regulations, would be considered to have a 'material impact' on the Company for the purpose of disclosure in the Offer Documents, if an adverse outcome from such pending litigation would materially and adversely affect the business, operations, cash flows, performance, prospects, financial position or reputation of the Company.

PENTACLE CONSULTANTS LIMITED MUMBAI

Policy on materiality:

Other than litigations mentioned in points (i) to (iv) above, any other pending litigation, as mentioned in (v), involving the Relevant Parties would be considered 'material' for the purpose of disclosure in the Offer Documents, if:

(i) *Monetary threshold:* **Monetary threshold:** the monetary amount of the claim made by or against the Relevant Parties in any such pending litigation is in excess of (a) 2% (two per cent.) of turnover, as per the latest restated financial statements of the Company, amounting to ₹18.35 million; (b) 2% (two per cent.) of net worth, as per the latest restated financial statements of the Company, amounting to ₹14.73 million; or (c) 5% (five per cent.) of the average absolute value of profit or loss after tax, as per the last three restated financial statements of the Company, amounting to ₹7.04 million, whichever is lower for a complete financial year, as included in the Offer Documents ("Materiality Threshold").

Accordingly, the aggregate monetary amount of the claim made by or against the Relevant Parties in any such pending litigation exceeding the Materiality Threshold shall be considered material for the purpose of disclosure in the Offer Documents; or

(ii) *Subjective threshold*: such pending matters which are not quantifiable or do not exceed the monetary threshold, involving the Relevant Parties, whose outcome, in the opinion of the Board, would materially and adversely affect the Company's business, prospects, performance, operations, financial position, reputation or cash flows or the decision in such a proceeding is likely to affect the decision in similar proceedings, such that the cumulative amount involved in such proceedings exceeds the threshold, even though the amount involved in an individual proceeding does not exceed the threshold; or

(iii) *Additional threshold*: there are any findings or observations arising out of any of the inspections by the Securities and Exchange Board of India or by any other regulator in or outside India, which are outstanding.

It is clarified that for the purpose of this Policy, pre-litigation notices received by the Relevant Parties from third parties (excluding those notices issued by governmental, statutory, regulatory, judicial, quasi-judicial or taxation authorities or notices threatening criminal action) shall, in any event, not be considered as litigation and evaluated for materiality, until such time that Relevant Parties are impleaded as defendants in litigation proceedings/investigation/regulatory action before any judicial/arbitral forum, tribunal or authority.

C. Identification of 'material' creditors

Requirement:

As per the requirements of the SEBI ICDR Regulations, the Company shall make relevant disclosures in the Offer Documents and on the website of the Company for outstanding dues to creditors as follows:

(i) based on the policy on materiality defined and adopted by the Board, details of the creditors which include the consolidated number of creditors and the aggregate amount involved, will be disclosed in the Offer Documents;
(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 will be disclosed in the Offer Documents; and
(iii) complete details about outstanding dues 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 in the Offer Documents.

PENTACLE CONSULTANTS LIMITED MUMBAI

Policy on materiality:

For identification of material creditors, a creditor of the Company shall be considered to be material for the purpose of disclosure in the Offer Documents if the amount due to such creditor is equal to or exceeds ₹7.20 million, being 5% (five per cent.) of the consolidated trade payables of the Company as at March 31, 2026, as per the Restated Financial Statements.

The consolidated trade payables of the Company as at March 31, 2026 were ₹144.04 million as per the Restated Financial Statements. Accordingly, 5% (five per cent.) of the consolidated trade payables amounts to ₹7.20 million. Therefore, a creditor shall be considered a 'material creditor' if the amount due to such creditor is equal to or exceeds ₹7.20 million as at the end of the most recent fiscal covered in the Restated Financial Statements included in the Offer Documents.

For outstanding dues to any creditor which is a micro, small or medium enterprise, the disclosure shall be based on the information available with the Company regarding the status of such creditor as defined under the Micro, Small and Medium Enterprises Development Act, 2006, as amended, read with the rules and notifications thereunder.

GENERAL

It is clarified that the Policy is solely for the purpose of disclosure requirements prescribed under the SEBI ICDR Regulations with respect to the Offer Documents, and should not be applied towards any other purpose, including for disclosure of material information by listed entities pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

The Policy shall be without prejudice to any disclosure requirements, which may be prescribed by SEBI and/ or such other regulatory, judicial, quasi-judicial, governmental, administrative or statutory authority with respect to listed companies or disclosure requirements as may be prescribed by SEBI through its observations on the Offer Documents, or disclosures that may arise from any investor or other complaints.

This Policy shall be subject to review/changes as may be deemed necessary and in accordance with regulatory amendments from time to time.

PENTACLE CONSULTANTS (I) LIMITED MUMBAI