



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

A. INTRODUCTION

This Policy has been formulated to define the materiality for identification of (i) outstanding dues to material creditors (ii) outstanding material litigations, and (iii) group companies in respect of Nexxus Petro Industries Limited (“**Company**”), its Directors, Promoters and Subsidiaries, as the case may be, 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 may be amended from time to time (“**SEBI ICDR Regulations**”), details of which shall be disclosed in the Issue Documents.

B. APPLICABILITY AND OBJECTIVE

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

The Board of Directors of the Company (“**Board**”), at their meeting held on July 18, 2023 discussed and approved this Materiality Policy. The Materiality Policy will be effective on the date of adoption by the Board (“**Effective Date**”).

In this Materiality Policy, the term “**Issue Documents**” shall mean the Draft Prospectus, and the Prospectus proposed to be filed by the Company in connection with the proposed initial public offering of its equity shares with the Securities and Exchange Board of India (“**SEBI**”), Registrar of Companies, Ahmedabad (“**RoC**”), 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 Materiality Policy shall have the same meanings ascribed to such terms in the Issue Documents.

In this Materiality Policy, unless the context otherwise requires :

- (i) Words denoting the singular shall include the plural and vice versa;
- (ii) References to the words “include” or “including” shall be construed without limitation.

C. POLICY PERTAINING TO IDENTIFICATION OF MATERIAL CREDITORS, MATERIAL LITIGATIONS AND GROUP COMPANIES

The Materiality Policy with respect to the identification of (i) material creditors (ii) material litigation, and (iii) group companies shall be as follows :

Identification of Material Creditors

Requirement :

In compliance with the SEBI ICDR Regulations, the Company will make the following disclosures in the Issue Documents for dues outstanding to creditors :

- (i) Based on the policy on materiality defined by the Board and as disclosed in the Issue Documents, disclosure of 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 (not included in (i) above), separately giving details of number of cases and amount involved; and



- (iii) Complete details about outstanding dues to material creditors along with the name and amount involved for each such material creditor on the website of the Company with a web link thereto in the Issue Documents.

Policy on materiality:

For identification of material creditors, in terms of point (i) above, a creditor of the Company shall be considered to be material, if amounts due to such creditor exceeds 10% of the total consolidated trade payables of the Company as per the latest restated financial statements of the Company, as disclosed in the Issue Documents.

Disclosures in the Issue Documents regarding material creditors:

- (i) For creditors identified as ‘material’ based on the abovementioned policy, information on outstanding dues to each material creditor shall be disclosed in the Issue Documents along with details of such creditors, which will also include the consolidated number of creditors and amount involved on an aggregate basis, as of the date of the latest restated financial statements included in the Issue Documents.
- (ii) For outstanding dues to micro, small and medium enterprises (“MSMEs”), the disclosure will be based on information available with the Company regarding the status of the creditors as MSMEs 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. Information for such identified MSME creditors will be provided in the Issue Documents in the following manner :
 - aggregate amounts due to such MSME creditors; and
 - aggregate number of such MSME creditors, as of the date of the latest restated financial statements included in the Issue Document.
- (iii) Complete details about outstanding dues to the material creditors along with the name and amount involved towards each such material creditor will be disclosed on the website of our Company with a web link in the Issue Documents.

The Company shall make relevant disclosures before the Audit Committee or Board of Directors, from time to time, as required by applicable law.

Identification of Material Litigation

Requirement :

In compliance with the SEBI ICDR Regulations, the Company shall disclose all litigation involving the Company, Promoters, Directors, and Subsidiaries of the Company related to :

- (i) all criminal proceedings;
- (ii) all actions by regulatory authorities and statutory authorities;
- (iii) disciplinary action, including penalty imposed by SEBI or Stock Exchanges against the Promoters in the last five financial years including outstanding action pending against them;
- (iv) claims related to direct and indirect taxes, in a consolidated manner giving details of number of cases and total amount; and
- (v) other material pending litigations - as per policy on materiality defined by the Board and disclosed in the Issue Documents.

Additionally, in terms of the SEBI ICDR Regulations, the Company must disclose any outstanding litigation involving the Group Companies, which may have a material impact on the Company. For the purposes of determining the outstanding litigation involving the Group Companies, which may have a



material impact on the Company, the criteria specified under “*Policy on materiality*” herein below shall apply.

Policy on materiality:

For the purpose of point number (v) above, any other pending litigation involving the Company, Promoters, Subsidiary, Group Companies and its Directors shall be considered “material” for the purpose of disclosure in the Issue Documents if:

- (i) the monetary amount of the claim made by or against the Company or Promoters or Directors in any such pending litigation is equal to or in excess of 10% of the consolidated revenue of the Company as per its last restated financial statements for a complete financial year, as included in the Issue Documents; or
- (ii) where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in an individual litigation does not exceed the amount determined as per clause (i) above, and the amount involved in all of such cases taken together exceeds the amount determined as per clause (i) above; and
- (iii) any such litigation which does not meet the criteria set out in (i) above and an adverse outcome in any litigation which would materially and adversely affect the operations or financial position of the Company.

Identification of Group Companies

Policy on materiality:

The SEBI ICDR Regulations define the term ‘group companies’ to include (i) such companies (other than promoter(s) and subsidiary(ies)) with which the Company had related party transactions during the period for which financial information is disclosed in the Issue Documents, as covered under the Indian Accounting Standards (Ind AS) 24, and (ii) any other company as considered material by the Board. Therefore, as per the requirements of the SEBI ICDR Regulations, Group Companies shall include :

- (i) Companies (other than the subsidiary) with which there were related party transactions, during the period for which financial information is disclosed in the Issue Documents, as covered under the Indian Accounting Standards (Ind AS) 24, i.e., financial information for the period ended March 31, 2021, 2022 and 2023; and
- (ii) Companies as considered material by the Board*.

**A company shall be considered material and disclosed as ‘Group Company’ if a material adverse change in such company can lead to a material adverse effect on the Company and its revenues and profitability.*

D. AMENDMENT

The Managing Director of the Company, in consultation with the Board, shall have the power to amend any provision of this Materiality Policy, substitute any provision with a new provision or replace this Materiality Policy entirely with a new policy. This Materiality Policy shall be subject to review / changes as may be deemed necessary and in accordance with regulatory amendments from time to time.

Effective Date: 25th December, 2023

Date of Approval by Board of Directors: 25th December 2023