

DATED JUNE 25, 2025
LAXMI INDIA FINANCE LIMITED

**POLICY ON MATERIALITY AS ADOPTED BY THE BOARD OF DIRECTORS OF
THE COMPANY**

S. Mitra



- (i) the companies (other than our Corporate Promoters) with which there were related party transactions, as per Ind AS 24 and as disclosed in the Restated Financial Statements (“**Relevant Period**”), and
- (ii) such companies that are a part of the promoter group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations (other than the Corporate Promoters), and with which there were transactions in the most recent financial year, as disclosed in the Restated Financial Statements included in the Offer Documents, of a value exceeding individually or in the aggregate, 10% of the total revenue of the Company for the last completed Fiscal as per the Restated Financial Statements.

For the avoidance of doubt, it is clarified that the above policy on materiality shall be without prejudice to any disclosure requirements, which may be prescribed by SEBI and/ or such other applicable authority with respect to listed companies and that the above policy on materiality is solely from the perspective of disclosure requirements prescribed under the SEBI ICDR Regulations with respect to the Offer Document and should not be applied towards any other purpose.

B. Identification of material litigation

Requirement:

As per the requirements of the SEBI ICDR Regulations, the Company shall disclose the following outstanding litigations in the Offer Documents:

- (i) all outstanding criminal proceedings (including first information report stage even if no cognizance has been taken by any court or judicial authority) involving the Company its promoters and its directors and (collectively the “**Relevant Parties**”), the Key Managerial Personnel (“**KMPs**”) and Senior Management (“**Senior Management**” and together with the KMPs, the “**Company Personnel**”);
- (ii) all outstanding actions by regulatory authorities and statutory authorities, including notices by such authorities against Relevant Parties and Company Personnel;
- (iii) all outstanding claims related to direct and indirect tax against Relevant Parties, in a consolidated manner; and
- (iv) other pending litigation (including civil litigation or arbitration proceedings), as determined to be material pursuant to the Materiality Policy involving the Relevant Parties; or
- (v) pending litigation involving the Group Companies which may has a material impact on the Company.

Policy on materiality:

For the purpose of identification of point (iv) above, any pending litigation involving the Relevant Parties would be considered ‘material’ for the purpose of disclosure in the Offer Documents, if:

- (a) the aggregate claim or amount involved in such litigation, to the extent quantifiable, is in excess of the lower of (i) 5% of the average of absolute value of profit or loss after tax as per the last three financial years restated financial statements; (ii) 2% of the net worth for the most



recent financial year as per the latest restated financial statements; or (iii) 2% of the turnover for the most recent financial year as per the latest restated financial statements.

- (b) In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation shall be considered 'material' only in the event that the outcome of such litigation has a material adverse impact on the business, operations, performance, prospectus, reputation, results of operations or cash flows of the Company, irrespective of the amount involved in such litigation. This will also include civil litigations where the decision in one case is likely to affect the decision in similar cases even though the amount involved in an individual litigation may not exceed the materiality threshold as per (a) above.

Further, disciplinary actions (including penalty) imposed by SEBI or recognized stock exchanges against the promoters in the last five financial years immediately preceding the date of the relevant Offer Document, including outstanding action shall be disclosed in the Offer Document.

It is clarified that for the purposes of the Materiality Policy, pre-litigation notices (other than those received from governmental, statutory, regulatory, judicial or tax authorities), have not been considered material and/ or have not been disclosed as pending matters until such litigation proceedings have been initiated against the Relevant Parties before any judicial or arbitral forum.

The above policy on materiality shall be without prejudice to any disclosure requirements, which may be prescribed under the Companies Act, 2013 and the rules thereunder with respect to disclosure of litigation, notices, disputes and other proceedings in the Offer Documents or by SEBI and/or such other applicable 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. In this regard, it is clarified that the above policy on materiality is solely from the perspective 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.

C. Identification of material outstanding dues to creditors

Requirement:

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

- (i) Based on the policy on materiality of the Board of the Company, details of creditors which include 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, 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 shall disclosed on the website of the Company with a web link thereto in the Offer Documents.

Policy on Materiality with respect to outstanding dues to creditors:

For the purpose of identification of material creditors for disclosure in the Offer Documents in terms of point (i) above, outstanding dues to any creditor (on the basis of amounts derived from the head "Trade Payables" in the Restated Financial Statements) of the Company having a monetary value which exceeds 5% of total amounts due derived from the head "Trade Payables" as of the latest period in Restated Financial Statements of the Company included in the Offer Document shall be considered 'material' and disclosed in the Offer Documents.

It is clarified that the above policy on materiality of creditors shall be without prejudice to any disclosure requirements, which may be prescribed by SEBI and/ or such other applicable authority with respect to listed companies and the above policy on materiality is solely from the perspective of disclosure requirements prescribed under the SEBI ICDR Regulations with respect to the Offer Documents and the website of the Company and should not be applied towards any other purpose.

For and on behalf of Laxmi India Finance Limited



Sourabh Mishra
Company Secretary & Chief Compliance Officer
M. No.: A51872

Date: June 25, 2025
Place: Jaipur, Rajasthan