



## NITYAS GEMS AND JEWELLERY LIMITED

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

#### A. INTRODUCTION

This Policy has been formulated to define the materiality for identification of outstanding material litigation, identification of group companies and outstanding dues to material creditors in respect of **NITYAS GEMS AND JEWELLERY LIMITED** (the "**Company**"), pursuant to the disclosure requirements under Schedule VI of 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**").

#### B. APPLICABILITY AND OBJECTIVE

This policy shall be called the 'Policy on Identification of Material Creditors, Group Companies and Material Litigations' ("**Materiality Policy**").

The Board of Directors of the Company ("**Board**") at their meeting held on March 17, 2026, discussed and approved this Materiality Policy. This Materiality Policy shall be effective from the date of approval of this Materiality Policy by the Board.

The Company has adopted this Materiality Policy for identification and determination of: (i) material creditors; (ii) group companies and (iii) material litigations pursuant to the provisions of SEBI ICDR Regulations, details of which shall be disclosed in the offer documents.

In this Materiality Policy, the term "**Offer Documents**" shall mean the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus 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, Registrar of Companies, Ahmedabad ("**RoC**") and 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 Offer 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.

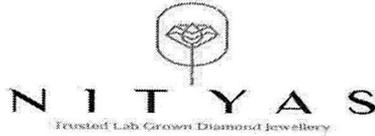
#### C. POLICY PERTAINING TO THE IDENTIFICATION OF MATERIAL CREDITORS, GROUP COMPANY AND MATERIAL LITIGATIONS

The Materiality Policy with respect to the identification of the material creditors, Group Company and material litigations shall be as follows:

##### Identification of Material Creditors

Requirement:





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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 defined by the Board of Directors of the Company and as disclosed in the Offer Document, disclosure for such 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 over 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.

### ***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 for the purpose of disclosure in the Offer Documents, if amounts due to such creditors exceed 5 % of the total trade payables of the Company as per the latest Restated Consolidated Financial Information of the Company, as disclosed in the Offer Documents.

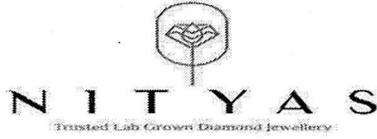
### ***Disclosures in the Offer Documents regarding material creditors***

- (i) For creditors identified as 'material' based on the abovementioned Policy, information on outstanding dues to such material creditors shall be disclosed in the Offer Documents along with the details of the material creditors, which include the consolidated number of creditors and amount involved on an aggregate basis, as of the date of the latest restated consolidated financial information included in the Offer 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 MSMEs creditors shall be provided in the Offer 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 consolidated financial information included in the Offer Document.
- (iii) Complete details about outstanding over dues to the material creditors along with the name and amount involved for each such material creditor shall be disclosed on the website of our Company with a web link in the Offer Documents.

For the purposes of identification of material creditors, in terms of point (i) above, a creditor of the Company, shall be considered to be material for the purpose of disclosure in the Offer Documents and the website of the Company, if amounts due to such creditor is equal to or in excess of 5% of the total trade payables as per the Restated Consolidated Financial Information of our Company .

### **Identification of Group Companies**





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### Requirement:

The policy with respect to the identification of the Group Companies of our Company shall be as follows:

As per Regulation 2(1)(t) of the SEBI ICDR Regulations, Group Companies shall include “*such companies (other than promoter(s) and subsidiary(ies) with which there were related party transactions, during the period for which financial information is disclosed, as covered under the applicable accounting standards, and also other companies as considered material by the board of the issuer*”.

### Policy on Materiality:

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

- (i) such companies (other than promoter(s) and subsidiary(ies), if any) with which there were related party transactions during the period for which financial information is disclosed, in accordance with the applicable accounting standards; and
- (ii) any other companies considered material by the Board of Directors of the relevant issuer company.

Accordingly, in relation to point (i) above, all such companies (other than promoter(s) and subsidiary(ies), if any) with which our Company has had related party transactions during the period covered in the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus, shall be considered as a ‘Group Company’, in accordance with the applicable accounting standards and SEBI ICDR Regulations.

In relation to point (ii) above, our Board has also considered such companies (other than the companies covered under the schedule of related party transactions as per the Restated Consolidated Financial Information) as material for classification as “group companies”, which are members of the Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, and have entered into one or more related party transactions during the last completed financial year and stub period, which individually or in the aggregate, exceed 10% of the restated revenue from operations of our Company, for the last completed financial year and stub period, as per the Restated Consolidated Financial Information.

In terms of the SEBI (ICDR) Regulations and in terms of the policy of materiality defined by the Board of Directors pursuant to its resolution dated March 17 2026 our Group Companies includes:

Those companies disclosed as having related party transactions in accordance with Accounting Standard (“AS 18”) issued by the Institute of Chartered Accountants of India, in the Restated Consolidated Financial Information of the Company for the last three financial years and stub period.

All such companies which the Board has deemed to be material to be considered as Group Companies.

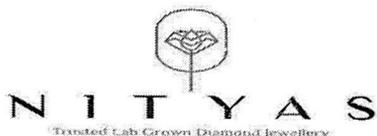
Accordingly, as per the most recently completed fiscal or stub period as per the restated consolidated financial statements (“**Restated Consolidated Financial Information**”) of the Company, as disclosed in the Offer Documents, below entities are identified as Group Companies:

1. Shri Vardhman Ornaments Private Limited

### Identification of Material Litigation

### Requirement:





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As per the requirements of SEBI ICDR Regulations, the Company shall disclose all the litigation involving the Company, Promoters, Directors of the Company related to:

- (i) All criminal proceedings;
- (ii) All actions by statutory / regulatory authorities;
- (iii) disciplinary actions (including penalties) imposed by SEBI or the Stock Exchanges against the Promoters in the last five (5) financial years, including any outstanding action;
- (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 of materiality defined by the Board and disclosed in the Offer Documents.

Additionally, in terms of the SEBI ICDR Regulations, the Company is required to 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.

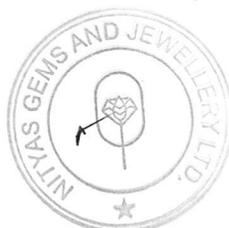
### ***Policy on materiality:***

For the purpose of point number (iv) above, any other pending litigation involving the Company, Promoters and its Directors and shall be considered "material" for the purpose of disclosure in the Offer Documents if :-

- (i) the omission of an event or information, whose value or the expected impact in terms of value exceeds the limits as prescribed under the SEBI Listing Regulations (as amended from time to time) i.e.
  - a. two percent of turnover, as per the last annual Restated Consolidated Financial Information of the Company; or
  - b. two percent of net worth, except in case of the arithmetic value of the net worth is negative, as per the last annual Restated Consolidated Financial Information of the Company;
  - c. five percent of the average of absolute value of profit or loss after tax, as per the last three annual Restated Consolidated Financial Information of the Company.

In terms of the materiality policy above any litigations (other than (a) criminal proceedings; (b) actions by statutory or regulatory authorities (c) claims relating to direct and indirect taxes (in a consolidated manner), and (d) disciplinary actions (including penalties) imposed by SEBI or the Stock Exchanges against our Promoters in the last five (5) FYs, including any outstanding action), the monetary value of which or the adverse impact resulting from such litigation exceeds the lower of a, b or c above, shall be considered Material Litigation.

- (ii) where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in 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





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- (iii) any such litigation which does not meet the criteria set out in (i) above and an adverse outcome in which would materially and adversely affect the operations or financial position of the Company.

All criminal proceedings involving key managerial personnel and senior management of the issuer and also the actions by regulatory authorities and statutory authorities against such key managerial personnel and senior management of the issuer shall also be disclosed.

**D. AMENDMENT**

The Executive Chairman of the Company in consultation with the Board of Directors shall have the power to amend any of the provisions of this Materiality Policy, substitute any of the provisions 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: March 17, 2026

Date of the approval by the Board: March 17, 2026

Sd/-  
Chairman's Signature

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