

NANAVATI VENTURES LIMITED

POLICY ON MATERIALITY

Constituted Date: 26th October, 2020

Last Amendment Date: 26th October, 2020

APPROVED BY: Board of Directors

POLICY ON MATERIALITY

This materiality policy ("the Policy") has been formulated for the identification of group companies, outstanding litigation and outstanding dues to creditors in respect of Nanavati Ventures Limited ("the Company"), pursuant to the disclosure requirements under Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), which requires the policy of materiality to be disclosed in the offer document.

This Policy shall be effective from the date of approval of the Policy by the board of directors of the Company ("Board").

In this Policy, the term "Offer Document" shall mean the Draft Prospectus and the Prospectus to be filed and/or submitted by the Company in connection with the proposed initial public offering of its equity shares with the Registrar of Companies and/or stock exchanges where the equity shares of the Company are proposed to be listed, as applicable.

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

A. LITIGATIONS

The Company shall disclose all the litigations involving the issuer/ its directors/ promoters/ group companies/ subsidiaries related to:

- i. All criminal proceedings;
- ii. All actions by statutory I regulatory authorities;
- iii. Taxation - Separate disclosures regarding claims related to direct and indirect taxes, in a consolidated manner giving details of number of cases and total amount;
- iv. All other pending litigations filed or pending against the Company where the amount claimed by or against the Company/Promoter/Group Company/Subsidiary exceeds an amount of Rs. 20,00,000/-;

B. GROUP COMPANIES

Group Company(ies) shall be considered to be material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year exceeds 10% of the annual consolidated turnover of the company as per the last audited financial statements of the company. The Company shall make relevant disclosure before the Audit Committee/ Board as required by the applicable law.

C. OUTSTANDING DUES TO CREDITORS

The Company shall make relevant disclosures in the offer document for such creditors as referred hereunder;

(i) Consolidated information on outstanding dues to small scale undertakings (SSI) and Micro Small & Medium Enterprises (MSME), separately giving details of number of cases and amount involved if the same exceeds the threshold limit of Rs. 1 lac and the credit period of 45 days as applicable in the law;

(ii) Complete details about outstanding dues to other creditors if the amount due to any one of them exceeds 10% of the total outstanding towards creditors of the Company as per the last audited financial statements of the company.

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 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 the website of the Company and should not be applied towards any other purpose.
