

POLICY ON IDENTIFICATION OF MATERIAL LITIGATIONS AND MATERIAL CREDITORS

Approved by Audit Committee and Board of Directors Meeting held on 18th September, 2025 and become applicable w.e.f. from 18th September, 2025.

<u>"Introduction"</u>	
	In terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations"), the Company, inter alia, is required to have a Policy on Materiality for (i) disclosure requirements pertaining to litigation involving the issuer company, its directors, its subsidiaries (if any), its promoters and its group companies; and (ii) disclosure requirement pertaining to the outstanding dues to creditors.
<u>"Objective"</u>	
	In view of the SEBI ICDR Regulations, the Board of Directors ("Board") of Accretion Nutraveda Limited ("Company") has adopted this Policy for the determination of (i) material creditors; and (ii) material litigations. This policy shall be called the 'Policy on Identification of Material Litigations and Material Creditors' ("Policy"). The Policy shall come into effect from the date of its approval by our Board.
<u>"Interpretations"</u>	
	In this Policy, unless the context otherwise requires: a) words denoting the singular shall include the plural and vice versa. b) references to the words "include" or "including" shall be construed without limitation.
<u>"Policy Pertaining to the Identification of Material Litigation and Material Creditors"</u>	
The Policy with respect to the identification of material litigation and material creditors shall be as follows:	
Identification of Material Litigation	
	As per the requirements of SEBI ICDR Regulations, the Company shall disclose all the litigation involving the Company, its subsidiaries, joint ventures, directors, promoters, Key Managerial Person, Senior Management Personnel and group companies related to: <ol style="list-style-type: none">I. All criminal proceedings;II. All actions (including all penalties and show cause notices) by statutory / regulatory authorities;III. Taxation separate disclosures regarding claims related to direct and indirect taxes, in a consolidated mannerIV. Other pending litigations, as per the materiality policy, in each case (collectively, the "Relevant Parties"); andV. Litigations involving our Group Companies, which has a material impact on the company.

For the purpose of determining outstanding material litigation(s) in (iv) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigations to be disclosed by our Company in this Draft Prospectus:

- a. All criminal proceedings, statutory or regulatory actions and taxation matters, involving our Company, Directors, Promoters, Group Companies, Key Managerial Personnel, and Senior Management Personnel;*
- b. All pending litigation involving our Company, Promoter, Directors, or Group Companies as the case may be, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered 'material', if the monetary amount of claim by or against the entity or person in any such pending matter(s) is in excess of lower of the following shall be considered material:*
 - i. 2% of turnover as per latest annual restated consolidated financial statements of the issuer;*
 - ii. 2% of net worth, as per the latest annual restated consolidated financial statements of the issuer, (Not to be considered if the arithmetic value of the net worth is negative);*
 - iii. 5% of the average of absolute value of profit or loss after tax, as per the last 3 annual restated consolidated financial statements of the issuer*

However, where the monetary liability is not quantifiable, each such case involving our Company, Promoter, Directors, or Group Companies, whose outcome would have a bearing on the business operations, prospects or reputation of our Company and as required under the SEBI Regulations have been disclosed on our website at <https://accretionnutraveda.com/>

- c. Notices received by our Company, Promoter, Directors, or Group Companies, as the case may be, from third parties (excluding statutory/regulatory authorities or notices threatening criminal action) shall, in any event, not be evaluated for materiality until such time that the Company / Directors / Promoter / Group Companies, as the case may be, are impleaded as parties in proceedings before any judicial forum.*

Our Company, our Promoter and/or our Directors, have not been declared as wilful defaulters by the RBI or any governmental authority, have not been debarred from dealing in securities and/or accessing capital markets by the SEBI and no disciplinary action has been taken by the SEBI or any stock exchanges against our Company, our Promoter or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.

Identification of Material Creditors	
	In terms of the SEBI ICDR Regulations, our Company is required to disclose in the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus, (i) the details of the outstanding dues to creditors based on the policy on materiality adopted by the Board and (ii) consolidated information on outstanding dues to small scale
	<p>undertakings and other creditors, separately giving details of number of cases and the amount involved. Additionally, the Company is required to provide complete details about outstanding dues to creditors as per (i) and (ii) above on the webpage of the Company with a web link thereto in the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus.</p> <p>For identification of material creditors, any creditor of the Company shall be considered to be material, if the amount due to any one of them exceeds five percent (5%) of trade payables as per the last audited financial statements of the Company.</p>
<u>"Amendment"</u>	
	<p>The Board (including its duly constituted committees wherever permissible), shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision, or replace this Policy entirely with a new Policy.</p> <p>This Policy shall automatically stand amended to reflect any changes to the SEBI Regulations, to the extent the same is the subject matter of this Policy.</p>
