



MATERIALITY POLICY FOR DISCLOSURE IN THE ISSUE DOCUMENTS
[Adopted by the IPO Committee on July 28, 2026]

ANNU PROJECTS LIMITED

CIN: U45201DL2003PLC120995

Registered Office:

**Annu Projects Limited
Plot no 11, First Floor, Sector B,
Pocket 1- LSC,
Vasant Kunj, Opposite: Delhi Jal Board
New Delhi – 110070**

MATERIALITY POLICY FOR DISCLOSURE IN THE ISSUE DOCUMENTS

Introduction

This document has been formulated to define the policy for identification in respect of Annu Projects Limited (the “**Company**”), 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 amended from time to time) (“**SEBI ICDR Regulations**”) for identification of the following:

- (i) All outstanding material litigation involving the Company, its Directors, KMPs, SMPs and its Promoters, as applicable;
- (ii) material companies to be as Group Companies and
- (iii) the material creditors of the Company (together, the “**Policy**”)

in terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”).

APPLICABILITY

The IPO Committee of the board of directors of the Company (“**Committee**”) at their meeting held on July 28, 2026, discussed and approved this Policy. This Policy shall be effective from the date of approval of the Policy by the Committee.

In this Policy, the term “**Issue Documents**” shall mean the Red Herring Prospectus and the Prospectus (along with any addenda or corrigenda thereto), as applicable, to be filed and/or submitted by Company in connection with the proposed initial public offering of its equity shares with the Securities and Exchange Board of India (“**SEBI**”), the Registrar of Companies, National Capital Territory of Delhi – I, at South Delhi and the stock exchanges where the equity shares of the Company are proposed to be listed, and any other regulatory authorities, as applicable; and the term “**Restated Financial Information**” shall mean the restated consolidated/ standalone financial statements of the Company, as applicable, as disclosed in the relevant Issue Documents, together with the summary statement of significant accounting policies, and other explanatory information thereon derived from the relevant audited financial statements, prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 (read with the Companies (Indian Accounting Standards) Rules, 2015, as amended) and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended from time to time.

All capitalised terms used but not specifically defined in this Policy shall have the same meaning as ascribed to them in the Issue Documents.

1. Identification of ‘material’ litigation

In terms of the SEBI ICDR Regulations, the Company is required to disclose the following pending litigation(s) involving the Company, its Directors and its Promoters (together the “**Relevant Parties**” and each a “**Relevant Party**”) in the Issue Documents:

- (i) All outstanding criminal proceedings (including matters which are at the FIR stage even if no cognizance has been taken by any court). This includes disclosure of all the outstanding criminal proceedings under section 138 of the Negotiable Instrument Act, 1881, in a consolidated manner giving details of number of cases and total amount involved in such cases;
- (ii) All outstanding actions (including penalties and show cause notices) by statutory and/or regulatory authorities;
- (iii) All outstanding claims related to direct and indirect taxes, in a consolidated manner giving details of number of cases and total amount involved in such cases. If a tax matter involves an amount exceeding the threshold proposed in (a) below, in relation to each Relevant Party, a separate disclosure of such tax matter will be included; and
- (iv) Other pending litigation/arbitration proceedings in accordance with the policy of materiality defined by the Board/ Committee (the “**Materiality Policy**”) and disclosed in the Issue Documents.
- (v) Additionally, all outstanding criminal proceedings involving key managerial personnel and senior management of the issuer and the actions by regulatory and statutory authorities including notices by such authorities against such key managerial personnel and senior management of the issuer shall be disclosed.

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

- (a) any disciplinary action (including a penalty imposed) by SEBI or any of the stock exchanges against any of the Promoters in the last five financial years preceding the date of the relevant Issue Document, including any outstanding action; and
- (b) outstanding litigation involving any of the Group Companies, which may have a material impact on the Company, as applicable. Any pending litigation involving the group companies, as identified in accordance with provisions of SEBI ICDR Regulations would be considered to have a ‘material impact’ on the Company for the purpose of disclosure in the Issue Documents, if an adverse outcome from such pending litigation would materially and adversely affect the business, operations, cash flows, performance, prospects, financial position or reputation of the Company.

For the purposes of determining outstanding material litigations as mentioned in points 1 (iii) and 1 (iv) above:

Any pending civil / arbitration/ tax proceedings involving the Relevant Parties, shall be considered ‘material’ for the purposes of disclosure in the Issue Documents, if:

- a) *the aggregate monetary claim/ dispute amount/ liability made by or against the Relevant Party, in any such pending litigation/ arbitration proceeding, to the extent quantifiable, exceeds the lower of the following:*
 - (i) 2% of the turnover for the most recent financial year as per the latest Restated Financial Information; or
 - (ii) 2% of net worth as per the latest Restated Financial Information; or
 - (iii) 5% of the average of absolute value of profit or loss after tax, as per the last three Restated Financial Information (the “**Threshold**”). For the purpose of clause (iii) above, it is clarified that the average of the absolute value of profit or

loss after tax is to be calculated by disregarding the 'sign' (positive or negative) that denotes such value; or

- b) pending litigations where the decision in one case is likely to effect the decision in similar cases such that the cumulative amount involved in such cases exceeds the Materiality Threshold, even though the amount involved in an individual litigation may not exceed the Materiality Threshold; or
- c) Any outstanding civil litigation/ arbitration proceedings involving the Relevant Parties wherein the monetary liability is not quantifiable, or does not exceed the Threshold, shall be considered 'material' and shall be disclosed in the Issue Documents, if the outcome of such litigation could have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of the Company.
- d) It is clarified that: (a) first information reports (whether cognizance has been taken or not) initiated against the Relevant Parties shall also be disclosed in the Issue Documents; and (b) pre-litigation notices received by the Relevant Parties from third parties (excluding those notices issued by statutory/ regulatory/governmental/ tax authorities or notices threatening criminal action) shall not be considered as litigation until such time that the Relevant Parties are impleaded as defendants/ parties in litigation/ arbitration proceedings before any judicial/ arbitral forum.

Other matters

With respect to outstanding litigations involving the Group Companies, only such outstanding litigations shall be disclosed in the Issue Documents, that could have a material impact on the Company in the opinion of the Board/ Committee. All Group Companies will identify in their certificates pending litigation involving such companies which are considered material by the respective Group Company and which, in their view may have a material impact on the Company. Having received details of such litigation from the Group Companies, the Company (acting through its Board/ Committee) will determine which of such identified litigation may have a material impact on the Company.

For the purposes of above, it is clarified that: (a) first information reports (whether cognizance has been taken or not) initiated against the Group Companies shall also be disclosed in the Issue Documents; and (b) pre-litigation notices received by the Group Companies from third parties (excluding those notices issued by statutory/ regulatory/governmental/ tax authorities or notices threatening criminal action) shall not be considered as litigation until such time that the Relevant Parties are impleaded as defendants/ parties in litigation/ arbitration proceedings before any judicial/ arbitral forum.

2. Policy for identification of Group Companies

In terms of the SEBI ICDR Regulations, the term 'Group Companies' includes:

- i. such companies (other than promoter(s) and subsidiary(ies)) with which the Company has had related party transactions (in accordance with the applicable accounting standards) during the period for which financial information is disclosed in the Issue Document, as covered under Indian Accounting Standard 24 ("**Ind AS 24**"), and
- ii. any other companies as considered material by the Board/ Committee of the Issuer.

Accordingly, for (i) above, all such companies (other than the subsidiaries) with which there were related party transactions during the period covered in the Restated Financial Information, as covered under Indian Accounting Standard 24 ("**Ind AS 24**"), shall be considered as Group Companies.

For the purposes of point (ii) above, the policy on identification of any other 'material' companies for consideration as Group Companies (other than those covered under the schedule of related party transactions as per the Restated Financial Information, is as set out below.

For the purpose of disclosure in the Issue Documents, all such companies (other than the subsidiaries, and the companies categorized under (i) above) shall be considered 'material' and will be disclosed as a Group Company in the Issue Documents if such company is a member of the 'Promoter Group' of the Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations; and the Company has entered into one or more transactions with such company during the latest financial year and relevant stub period, if applicable, for which Restated Financial Information are being included, which individually or cumulatively in value exceeds 10% of the consolidated revenue from operations of the Company for the last completed Fiscal or stub period, if applicable as per the Restated Financial Information.

Information about Group Companies identified based on the above approach shall be disclosed in the Issue Documents in accordance with the SEBI ICDR Regulations.

3. Policy for identification of material creditors

In terms of the SEBI ICDR Regulations, the Company shall make the following disclosures in the Issue Documents and on the website of the Company for outstanding dues to creditors:

- (i) based on the policy on materiality defined and adopted by the Board/ Committee, details of the Company's creditors including the consolidated number of creditors and the aggregate amount involved; and
- (ii) consolidated information on outstanding dues to micro, small and medium enterprises ("**MSME**") and other creditors, separately giving details of number of cases and amount involved; and
- (iii) complete details about outstanding overdue to material creditors including the name of such creditor(s) and amount due to such material creditor (as per (i) above) shall be disclosed on the website of the Company with the relevant web link included in the Issue Documents, as applicable.

For the purposes of identification of material creditors (except banks and financial institutions from whom the Company has availed financing facilities), in terms of point (i) above, a creditor of the Company shall be considered to be 'material' for the purpose of disclosure in the Issue Documents, if the amount due to such creditor by the Company is equal to or is in excess of 5% of total outstanding dues (trade payables) of our Company, on a consolidated basis, as at the end of the most recent period covered in the Restated Financial Information.

For outstanding dues to MSMEs and other creditors, the disclosure will be based on the information available with the Company regarding the status of the creditors as MSME as defined under Section 2 read with Section 7 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.

General

It is clarified that the Policy is solely for the purpose of disclosure requirements in Issue Documents prescribed under the SEBI ICDR Regulations and should not be applied towards any other purpose including for disclosure of material information by listed entities pursuant to the requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, post listing of the equity shares of the Company.

The Policy shall be without prejudice to any disclosure requirements which may be prescribed by SEBI and/ or any other regulatory or statutory authority with respect to listed companies or disclosure requirements as may be prescribed by SEBI through its observations on the Issue Documents, or disclosures that may arise from any investor or other complaints.

The Policy shall be subject to review/changes as may be deemed necessary and in accordance with applicable law from time to time.