

EMERALD LEISURES LIMITED
(POLICY APPROVED BY THE BOARD ON 18TH MAY, 2026)

Policy for Identification of 'Material Litigation'

This document has been formulated to define the materiality policy for identification of (1) outstanding material litigation involving Emerald Leisures Limited (the “**Company**” or “**Issuer**”); and (2) the group companies of the Company (together, the “**Policy**”), each in terms of the disclosure requirements under Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”).

This Policy shall be effective from the date of its approval by the Board of Directors of the Company (“**Board**”) or a committee thereof.

In this Policy, the term “**Issue Documents**” shall mean the draft letter of offer (“**DLOF**”) and the letter of offer (“**LOF**”) including any addendum or corrigendum thereto to be filed and/or submitted by the 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 or the stock exchange where the equity shares of the Company are proposed to be listed, and any other regulatory authorities, as applicable

The term “**Financial Information**” shall mean the financial information as disclosed in the Issue Documents, together with the balance sheet, the statement of profit and loss including other comprehensive income, the cash flow statement, the statement of changes in equity, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

1. Materiality policy for litigation

In terms of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”), the Issuer shall disclose all the litigations involving the Issuer, related to:

- i. All criminal proceedings;
- ii. All actions by statutory/regulatory authorities; and
- 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.

Besides the above-mentioned litigations, other material pending litigations, as per policy of materiality defined by the Board shall also be disclosed in the Issue Documents.

In this regard, all other pending litigation involving the Issuer, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered ‘material’ for the purpose of disclosure in the Issue Documents, if:

- i. *the monetary claim involved in such proceedings is exceeds the lower of the following:*
 - a. *two percent of turnover, as per the last audited financial statements of the Company;*
 - b. *two percent of net worth, as per the last audited financial statements of the Company, except in case the arithmetic value of the net worth is negative;*
 - c. *five percent of the average of absolute value of profit or loss after tax, as per the last three audited financial statements of the Company.*
- ii. *any monetary liability is not quantifiable or does not fulfil the threshold as specified in paragraph (i) above, but the outcome of which could, nonetheless, directly or indirectly, or together with similar other proceedings, have a material adverse effect on the business, operations, results of operations, prospects, financial position or reputation of the Company.*

2. Materiality Policy for Group Companies

In terms of the SEBI ICDR Regulations, for the purpose of disclosure in the Issue Documents, the term 'group companies' includes (a) such companies (other than the promoters and subsidiary) with which the issuer company had related party transactions during the period for which financial information is disclosed in the relevant Issue Document, as covered under the applicable accounting standards, and (b) any other companies as considered material by the Board.

Accordingly, for(a) above, all such companies (other than the promoters and subsidiary(ies) (if any)) with which there were related party transactions during the periods covered in the Financial Information, as covered under the applicable accounting standards, shall be considered as group companies in terms of the SEBI ICDR Regulations and shall be disclosed in the Issue Documents.

In addition, for the purposes of (b) above, a company (other than the promoter, the subsidiary(ies) (if any) shall be considered "material" if there are transactions with it in the most recent financial year, which, exceed 10% of the total revenue of our Company, as per the Financial Information for that period.

General

It is clarified that this Policy is solely from the perspective of disclosure requirements prescribed under the SEBI ICDR Regulations with respect to the Issue Documents and should not be applied towards any other purpose. The Policy shall be without prejudice to any disclosure requirements, which may be prescribed by SEBI and/ or such 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 and regulatory amendments from time to time. All other capitalised terms not specifically defined in this Policy shall have the same meanings ascribed to such terms in the Issue Documents.