

MATERIALITY POLICY

EFFECTIVE DATE: The Policy shall come into effect on: January 7, 2026

INTRODUCTION

This materiality policy (the "**Policy**") has been formulated to define the respective materiality policies in respect of the proposed initial public offering of the equity shares of Laxyo Limited (Formerly known as Laxyo Energy 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 (the "**SEBI ICDR Regulations**"), in the Offer Documents (defined below), in respect of the following:

- A.** Identification of companies to be disclosed as group companies of the Company;
- B.** Identification and disclosure of outstanding litigation involving the Company, its subsidiaries, its promoters and its directors (collectively, the "**Relevant Parties**"), key managerial personnel and senior management, including 'material outstanding litigation' involving the Relevant Parties; and
- C.** Identification of outstanding dues to creditors.

APPLICABILITY

The board of directors of the Company (the "**Board**") at their meeting held on January 7, 2026 discussed and approved this Policy. This Policy shall be effective from the date of its approval by the Board.

In this Policy, the term "**Offer Documents**" shall mean the draft red herring prospectus, the red herring prospectus and the prospectus, and includes any addendum or corrigendum thereto, as applicable, 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**"), Registrar of Companies, Madhya Pradesh at Gwalior and/or stock exchanges where the equity shares of the Company are proposed to be listed, as applicable and the term "**Restated Consolidated Summary Statements**" shall mean the restated consolidated summary statements of the Company, as disclosed in the relevant Offer Document.

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

A. Identification of companies to be disclosed as group companies of the Company

Requirement:

The SEBI ICDR Regulations define "group companies" to include "such companies (other than promoter(s) and subsidiary / subsidiaries) 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".

Therefore, for the purpose of disclosure in the Offer Documents and as per the requirements of the SEBI ICDR Regulations, the following shall be considered group companies of the Company:

- (i)** such companies (other than the promoter(s) or subsidiaries of the Company, as applicable) with which there were related party transactions, during the period for which Restated Consolidated Summary Statements is disclosed in the Offer Documents, as covered under Ind AS 24; and
- (ii)** any other company as considered material by the Board, in terms of the policy laid down below.

Policy on materiality for identification of companies to be disclosed as group companies of the Company:

With respect to point (i) above, a company which was a subsidiary or promoter for any of the relevant periods included in the Restated Consolidated Summary Statements but has ceased to be a subsidiary or promoter of the Company in any of the subsequent relevant periods or post relevant periods included in the Restated Consolidated Summary Statements, shall be considered as a group company of the Company if there were related party transaction with such company during any of the periods for which Restated Consolidation Summary Statements is disclosed in the Offer Documents, as covered under applicable accounting standards.

With respect to point (ii) above, for the purpose of disclosure in the Offer Documents, a company (other than the companies covered under (i) above shall be considered "material" and will be disclosed as a 'group company' (other than the promoter(s) or subsidiaries of the Company, as applicable) in the Offer Documents if it is a member of the 'promoter group' in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, and with which the Company has entered into one or more related party transactions during the last completed financial year and the stub period (covered in the Restated Consolidated Summary Statements), included in the Offer Documents, which individually or in the

aggregate, exceed 10% of the total restated consolidated revenue from operations of the Company, for the last completed financial year and the stub period, for which the Restated Consolidated Summary Statements is included in the Offer Documents.

The relevant financial information of the group companies identified, based on the above approach, will be disclosed on the website of respective group companies in accordance with the SEBI ICDR Regulations.

B. Identification and disclosure of outstanding litigation involving the Relevant Parties, key managerial personnel and senior management, including material outstanding litigation involving the Relevant Parties

Requirement:

As per the requirements of the SEBI ICDR Regulations, the Company shall disclose the following outstanding litigations involving the Relevant Parties and key managerial personnel and senior management of the Company, as applicable, in the Offer Documents:

- (i)** all criminal proceedings involving the Relevant Parties and key managerial personnel and senior management of the Company (including matters at FIR stage where no / some cognizance has been taken by any court or any other judicial authority);
- (ii)** all actions (including any orders passed and show-cause notices issued) by regulatory authorities and statutory authorities involving the Relevant parties and key managerial personnel and senior management of the Company (including any judicial, quasi-judicial, administrative or enforcement authorities);
- (iii)** disciplinary actions including penalties imposed by SEBI or stock exchanges against the promoters in the last five financial years including outstanding actions;
- (iv)** outstanding claims related to direct and indirect taxes involving the Relevant Parties, in a consolidated manner, giving the total number of claims and total amount involved in such claims, however in the event any tax matter involves monetary amount of claim exceeding the threshold proposed under (v) below in relation to each Relevant Party, individual disclosures of such tax matters will be included; and
- (v)** other outstanding litigation involving the Relevant Parties (including civil litigation or arbitration proceedings) based on lower of the threshold criteria mentioned below

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- a.** As per policy of materiality defined by the Board and disclosed in the Offer Documents; or
- b.** Litigation where the value or expected impact in terms of value, exceeds the lower of the following:
 - i.** two percent of turnover, as per the latest annual restated consolidated summary statements of the Company; or
 - ii.** two percent of net worth, as per the latest annual restated consolidated summary statements of the Company, except in case the arithmetic value of the net worth is negative;
 - iii.** five percent of the average of absolute value of profit or loss after tax, as per the last three annual restated consolidated summary statements of the Company.

Further, as per the requirements of the SEBI ICDR Regulations, the Company shall also disclose such outstanding litigations involving the group companies, which has a material impact on the Company. Any outstanding litigation involving the group companies (as identified above) would be considered to have a 'material impact' on the Company for the purpose of disclosure in the Offer Documents, if an adverse outcome from such outstanding litigation would materially and adversely affect the business, prospects, operations, performance, financial position or reputation of the Company in accordance with provisions of the SEBI ICDR Regulations.

Policy on materiality for identification of material outstanding litigation involving the Relevant Parties (excluding outstanding criminal proceedings, actions by statutory / regulatory authorities, disciplinary actions imposed by SEBI or the stock exchanges against the promoters and tax claims):

Other than the outstanding litigations mentioned in points (i) to (iv) above, and for the purpose of point (v) above, any outstanding litigation (including civil litigation / arbitration proceedings) involving the Relevant Parties would be considered 'material' for the purpose of disclosure in the Offer Documents, if:

(a) the value or expected impact in terms of value, made by or against the Relevant Parties in any such outstanding civil litigation / arbitration proceeding is exceeds the lower of the following (i) 2% of the turnover of the Company, as per the latest annual Restated Consolidated Summary Statements; or (ii) 2% of net worth of the Company, as per the latest annual Restated Consolidated Summary Statements, except in case the arithmetic value of the net worth is negative; or (iii) 5% of the average of absolute

value of profit or loss after tax for the last three financial years, as per the Restated Consolidated Summary Statements included in the Offer Documents, whichever is lower (the "**Materiality Threshold**"); or

(b) any outstanding civil litigation / arbitration proceedings involving the Relevant Parties, where the value or expected impact in terms of value is not quantifiable or lower than the threshold specified in (a) above, but an outcome of which could have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of the Company; or

(c) any such outstanding civil litigation / arbitration proceeding where the decision in one matter is likely to affect the decision in similar matters such that the cumulative amount involved in such matters exceeds the Materiality Threshold as specified in (a) above, even though the amount involved in an individual matter may not exceed the Materiality Threshold as specified in (a) above.

It is clarified that for the purpose of this Policy, pre-litigation notices received by the Relevant Parties, key managerial personnel, senior management of the Company and group companies from third parties (excluding governmental/tax/statutory/regulatory/judicial authorities or notices threatening criminal action) shall, in any event, not be considered as litigation until such time that Relevant Parties or group companies, are impleaded as a party to such litigation in proceedings initiated before any court, arbitral forum, tribunal or governmental authority, or is notified by any governmental, statutory, judicial, tax or regulatory authority of any such proceeding that may be commenced.

C. Identification of outstanding dues to creditors

Requirement:

As per the requirements of the SEBI ICDR Regulations, the Company shall make relevant disclosures for outstanding dues to creditors as follows:

(i) based on the policy on materiality defined by the Board, details of the creditors which include the consolidated number of creditors and the aggregate amount involved, will be disclosed in the Offer Documents;

(ii) consolidated information on outstanding dues to micro, small and medium enterprises and other creditors, separately giving details of number of creditors and amount involved will be disclosed in the Offer Documents; 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.

For outstanding dues to micro, small and medium enterprises ("MSME") and other creditors, the disclosure will be based on 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.

POLICY ON MATERIALITY FOR IDENTIFICATION OF 'MATERIAL' TO CREDITORS:

For identification of material creditors for disclosure in the Offer Documents in terms of point (i) above, a creditor of the Company shall be considered to be material, if the amounts due to such creditor by the Company is equivalent to or exceeds 5% of the consolidated trade payables of the Company as at the end of the latest period included in the Restated Consolidated Summary Statements included in the Offer Documents.

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 Offer Documents and should not be applied towards any other purpose including for disclosure of material information by listed entities pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

This policy on materiality shall be without prejudice to any disclosure requirements, which may be prescribed under the Companies Act, 2013 and the rules thereunder with respect to disclosure of litigation, notices, disputes and other proceedings in the Offer Documents or by SEBI and/or such other regulatory, judicial, quasi-judicial, administrative, statutory authority with respect to listed companies or disclosure requirements as may be prescribed by SEBI through its observations on the Offer Documents, or disclosures that may arise from any investor or other complaints. In this regard, it is clarified that the above policy on materiality is solely from the perspective of disclosure requirements prescribed under the SEBI ICDR Regulations with respect to the Offer Documents and should not be applied towards any other purpose.

This Policy shall be subject to review / changes as may be deemed necessary and in accordance with regulatory amendments from time to time.