Aptus Pharma Limited

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Policy on Identification of Group Companies, Material Creditors and Material Litigations

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A. INTRODUCTION

Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as may be amended from time to time, (**"SEBI Regulations**") provides (i) the definition of the 'group companies'; (ii) the disclosure requirements pertaining to litigation involving the issuer company, its directors, its subsidiaries (if any), its promoters and its group companies; and (iii) the disclosure requirement pertaining to the outstanding dues to creditors.

B. OBJECTIVE

In view of the SEBI Regulations, the Board of Directors ("Board") of **Aptus Pharma Limited** ("Company") has adopted this policy and procedures for determination of:

i Companies which are considered to be material as a Group company of the Company within the meaning of 'Group Company' defined under the SEBI Regulations;

ii Material Creditors; and

iii Material Litigation.

This policy shall be called the 'Policy on Identification of Group Companies, Material Creditors and Material Litigations' ("**Policy**").

The Policy shall be come into effect from the date of listing of securities of the company on recognized stock exchange.

C. INTERPRETATION

In this Policy, unless the context otherwise requires:

1. Words denoting the singular shall include the plural and vice versa.

2. References to the words "include" or "including" shall be construed without limitation.

D. POLICY PERTAINING TO THE IDENTIFICATION OF GROUP COMPANIES, MATERIAL CREDITORS AND MATERIALLITIGATIONS

The policy with respect to the identification of the group companies of our Company, Material Creditors and Material Litigation shall be as follows:

Identification of the Group Companies

As per schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, the Company is required to define materiality policy, for identification of **"Group Companies"** for disclosure of **"Group Companies"** in its draft prospectus/prospectus as:

"The words "group companies", wherever they occur, shall 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."

For the purpose of identification of **"Group Companies"**, our Company has considered those companies as our promoter group companies in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations and such Company have common directorship, majority shareholding of our promoters and promoter group and turnover exceeding Rs. 5 Crores for the last completed Fiscal or stub period, if applicable as per the Restated Financial Statements.

as considered material by the Board of the issuer pursuant to the SEBI (ICDR) Regulation 2018. The materiality Policy framed by the Board covers such Companies as Our Group Companies which fulfils both (i) and (ii) conditions as mentioned below: -

1) Such company that forms part of the Promoter Group of our Company in terms of Regulation 2(1) (pp)(iv) of the SEBI Regulations; and

2) Our Company has entered into one or more transactions with such company in preceding fiscal or audit period as the case may be exceeding Rs. 5 Crores of total revenue of the company as per Restated Financial Statements.

Identification of Material Creditors

Our Company is required to disclose pursuant to Para 12(A)(2) of Part A of Schedule VI of the SEBI Regulations in the Draft Prospectus / Prospectus, the details of the outstanding dues to creditors:

(i) based on the policy on materiality of our Board, complete disclosure for such creditors; and
(ii) consolidated information on outstanding dues to small scale undertakings and other creditors, separately giving details of number of cases and amount involved. Additionally, our Company is required to provide complete details about outstanding dues to creditors
(iii) as per (i) and (ii) above on the webpage of our Company with a web link thereto in the Draft Prospectus / Prospectus which is as follows: -

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 INR 10 Lakhs (Rupees Ten Lakhs only) of trade payables as per the last restated financial statement or audited financial statements of the Company.

Identification of Material Litigation

Our Company is required to disclose in the Draft Prospectus / Prospectus all outstanding:

(i) Criminal and Civil proceedings;
(ii) Actions by statutory or regulatory authorities;
(iii) Disciplinary action including penalty imposed by SEBI or stock exchanges against the promoters in the last five financial years including outstanding action;
(iv) Claims related to direct and indirect taxes, in a consolidated manner, giving the number of cases and total amount; All other pending material litigations –based on lower of threshold criteria mentioned below-
    1. As per the policy of materiality defined by the board of directors of the issuer and disclosed in the offer document; or
    2. Litigation where the value or expected impact in terms of value, exceeds the lower of the following:
        a) two percent of turnover, as per the latest annual restated financial statements of the offer documents; or
        b) two percent of net worth, as per the latest annual restated financial statements of the offer documents, except in case the arithmetic value of the net worth is negative; or
        c) five percent of the average of absolute value of profit or loss after tax, as per the last three annual restated financial statements of the offer documents."

For the purposes of disclosure pursuant to Para 12(A)(1) of Part A of Schedule VI of the SEBI Regulations and the Materiality Policy, following litigation are considered material for disclosure in Draft Prospectus/Prospectus of our Company: -

All pending litigation involving our Company, holding, Directors, Promoters and Group Companies, other than criminal proceedings and statutory or regulatory actions, would be considered 'material' if the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess monetary threshold of our Company as per the last audited financial statement.

For the purposes of determining material litigation(s) involving our Directors in (iv) above, our Board shall consider all outstanding litigation involving each Director and it believes that if any such litigation has an adverse outcome and therefore, would materially and adversely affect the reputation, operations or financial position of our Company, it shall be considered as material litigation and accordingly, each of our directors shall identify and provide information relating to such outstanding litigation involving themselves.

E. APPROVAL

This policy has been approved by our Board in its meeting held on **26th May, 2025**

F. AMENDMENT & REVIEW OF THE POLICY

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. 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.

G. DISCLOSURE

Para12(A) of Part A of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 requires the same to be disclosed in its draft prospectus/prospectus of the company

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