

Next2 Door Living Limited

Regd. Office:

C-63, Basement, Panchsheel Enclave,
New Delhi-110017

NEXT2 DOOR LIVING LIMITED

**(C-63, Basement Panchsheel Enclave, South Delhi, New Delhi,
Delhi- 110017)**

CIN: U55100DL2018PLC328342

Policy on Determination of Material Litigations and Material Creditors

***Approved by Board of Directors at its meeting held
on 2nd March 2026.***

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Policy on Determination of Material Litigations and Material Creditors

INTRODUCTION

This Policy has been formulated to define the materiality for identification of material litigation and material creditors in respect of Next2 Door Living Limited (the “**Company**”), pursuant to the disclosure requirements under Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as may be amended from time to time (“**SEBI ICDR Regulations**”).

APPLICABILITY AND OBJECTIVE

This policy shall be called the ‘**Policy on Identification of Material Creditors and Material Litigations**’ (“**Materiality Policy**”).

The Company has adopted this Materiality Policy for identification and determination of:

- (i) material creditors; and
- (ii) material litigations pursuant to the provisions of SEBI ICDR Regulations, details of which shall be disclosed in the Offer Document.

Offer Document shall mean the draft prospectus and prospectus filed in relation to the proposed initial public offering of its equity shares with the ROC, SEBI and Stock Exchanges where the equity shares of the Company are proposed to be listed, as applicable.

All other capitalized terms not specifically defined in this Materiality Policy shall have the same meanings ascribed to such terms in the Offer Document.

In this Materiality Policy, unless the context otherwise requires:

- (i) Words denoting the singular shall include the plural and vice versa;
- (ii) References to the words “include” or “including” shall be construed without limitation.

POLICY PERTAINING TO THE IDENTIFICATION OF MATERIAL CREDITORS AND MATERIAL LITIGATIONS

The Materiality Policy with respect to the identification of the material creditors and material litigation shall be as follows:

Identification of Material Creditors

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

(i) Based on the policy on materiality defined by the Board of Directors of the Company and as disclosed in the Offer Document, disclosure for such creditors which include the consolidated number of creditors and the aggregate amount involved;

(ii) Consolidated information on outstanding dues to micro, small and medium enterprises and other creditors, separately giving details of number of cases and amount involved; and

(iii) Outstanding 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 Document.

Policy on materiality:

For identification of material creditors, in terms of point (i) above, a creditor of the Company shall be considered to be material for the purpose of disclosure in the Offer Document, if amounts due to such creditor exceed 10% of the total consolidated trade payables of the Company as per the latest audited financial statements of the Company, as disclosed in the Offer Document.

Notwithstanding the above thresholds, the Board of Directors may, in its discretion, consider any creditor as material for the purpose of disclosure in the Offer Document.

Disclosures in the Offer Document regarding material creditors:

(i) For creditors identified as 'material' based on the above-mentioned Policy, information on outstanding dues to such material creditors shall be disclosed in the Offer Document along with the details of the material creditors, which include the consolidated number of creditors and amount involved on an aggregate basis, as of the date of the latest audited financial statements included in the Offer Document.

(ii) For outstanding dues to micro, small and medium enterprises ("**MSMEs**"), the disclosure will be based on information available with the Company regarding the status of the creditors as MSMEs as defined under Section 2 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. Information for such identified MSMEs creditors shall be provided in the Offer Document in the following manner:

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- a. aggregate amounts due to such MSME creditors; and
- b. aggregate number of such MSME creditors.

as of the date of the latest audited financial statements included in the Offer Document

(iii) Outstanding dues to the material creditors along with the name and amount involved for each such material creditor shall be disclosed on the website of our Company with a web link in the Offer Document.

Identification of Material Litigation

As per the requirements of SEBI ICDR Regulations, the Company shall disclose all the litigation involving the Company, its joint venture(s) and directors related to:

- (i) All criminal proceedings;
- (ii) All actions by statutory / regulatory authorities;
- (iii) Claims related to direct and indirect taxes, in a consolidated manner giving details of number of cases and total amount; and
- (iv) Other material pending litigations - as per policy of materiality defined by the Board and disclosed in the Offer Document.

Policy on materiality:

For the purpose of point no (iv) above, any other pending litigation involving the Company, its directors and joint venture(s) shall be considered "material" for the purpose of disclosure in the Offer Document if:-

- (a) The monetary amount of the claim made by or against the Company, its joint venture(s) and directors in any such pending 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 financial statements of the issuer; or
 - (ii) two percent of net worth, as per the latest annual restated consolidated financial statements of the issuer, except in case the arithmetic value of the net worth is negative; or
 - (iii) five percent of the average of absolute value of profit or loss after tax, as per the last three annual restated consolidated financial statements of the issuer.
- (b) where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in an individual litigation does not exceed the amount determined as per clause (a) above, and the amount involved in all of such cases taken together exceeds the amount determined as per clause (a) above; and

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- (c) any such litigation which does not meet the criteria set out in (a) above and an adverse outcome in which would materially and adversely affect the operations or financial position of the Company.

Notwithstanding the above thresholds, the Board of Directors may, in its discretion, consider any litigation as material for the purpose of disclosure in the Offer Document.

AMENDMENT

The Board of Directors of the Company shall have the power to amend any of the provisions of this Materiality Policy, substitute any of the provisions with a new provision or replace this Materiality Policy entirely with a new Policy. This Materiality Policy shall be subject to review/changes as may be deemed necessary and in accordance with regulatory amendments from time to time.

Certified by: _____

Vaibhav Khanna
Whole-time Director
DIN: 07985266