

VISHWAS REFOILS & CONSUMER LIMITED

GSTIN NO: 24AAJCV2605C1ZR | CIN NO: U10403GJ2023PLC139329

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VISHWAS REFOILS & CONSUMER LIMITED

POLICY ON MATERIALITY AS ADOPTED BY THE BOARD OF DIRECTORS OF THE COMPANY

1. INTRODUCTION:

This materiality policy ("the Policy") has been formulated for the identification of group companies, outstanding litigation and outstanding dues to creditors in respect of **Vishwas Refoils & Consumer 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 ("SEBI ICDR Regulations"), which requires the policy of materiality to be disclosed in the Draft Issue Document and Issue Document.

This Policy shall be effective from the date of approval of the Policy by the board of directors of the Company ("Board"). In this Policy, the terms "Draft Issue Document" and "Issue Document" shall have the meaning assigned to it under SEBI ICDR Regulations.

2. APPLICABILITY AND OBJECTIVE:

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

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

- (i) material creditors;
- (ii) material litigations; and
- (iii) Group Companies pursuant to the provisions of SEBI ICDR Regulations, details of which shall be disclosed in the Offer Documents to be filed by the Company in connection with the proposed initial public offering of its Equity shares with the SME Platform of the Bombay Stock Exchange Limited, Securities and Exchange Board of India, Registrar of Companies, Gujarat at Ahmedabad ("RoC").

3. 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.

4. POLICY PERTAINING TO THE IDENTIFICATION OF GROUP COMPANIES, MATERIAL CREDITORS AND MATERIAL LITIGATIONS:

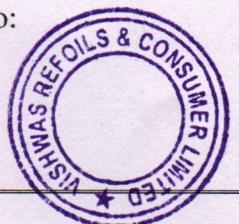
The policy with respect to the identification of the Group Companies of our Company, Material Creditors and Material Litigation shall be as follows:

A. LITIGATIONS

Requirement:

The Company shall disclose all the litigations involving the Company or its directors or its promoters or its group companies or its subsidiaries, whichever is applicable, relating to:

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- i. All criminal and civil proceedings;
- ii. All actions by statutory/ regulatory authorities;
- iii. Claims related to direct and indirect taxes, in a consolidated manner, giving the number of cases and total amount;
- iv. Disciplinary action including penalty imposed by SEBI or stock exchanges against the promoters in the last five financial years including outstanding action;
- v. All other pending material litigations – As per the policy of materiality defined by the Company.

Policy on Material Litigation:

Threshold limit on materiality with respect to disclosures relating to litigation involving the Company, its directors, subsidiaries, group companies, associates and promoters if – if Litigation where the value or expected impact in terms of value, exceeds the lower of the following:

- i. two (2) percent of turnover, as per the latest restated annual financial statements of the Company; or
- ii. two (2) percent of net worth, as per the latest restated annual financial statements of our Company, except in case the arithmetic value of the net worth is negative; or
- iii. five (5) percent of the average of absolute value of profit or loss after tax, as per the last three restated annual financial statements of the Company; or
- iv. in the event monetary liability is not quantifiable, such pending proceeding shall be considered material if the outcome of any such pending proceedings may have a material bearing on the business, operations, performance, prospects or reputation of the Company.

It is clarified that the above policy on materiality shall be without prejudice to any disclosure requirements, which may be prescribed by SEBI and / or such other governmental authority with respect to listed companies and that the above policy on materiality is solely from the perspective of disclosure requirements prescribed under the SEBI ICDR Regulations with respect to the Draft Issue Document and Issue Document and should not be applied towards any other purpose.

Furthermore, the above policy on materiality shall be without prejudice to the disclosure requirements prescribed under the Companies Act, 2013 and the rules thereunder with respect to disclosure of litigation, notices, disputes and other proceedings in the Draft Issue Document and Issue Document.

B. GROUP COMPANIES

Requirement:

As per the requirements of the SEBI ICDR Regulations, for the purpose of identification of Group Companies, our Company has considered those companies as our Group companies with

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which there were related party transactions as per the Restated Financial Statements of our Company in any of the last three financial years and stub period (if any) and other Companies as considered material by our Board.

Further, pursuant to the resolution passed by the Board at its Meeting held on 19th December,2025 for the purpose of disclosure in relation to the Group Companies, a company shall be considered as a material group company and disclosed as the same if such company fulfils the conditions as mentioned below:-

Policy on Material Group Companies:

The following companies shall be considered to be material Group Company(ies) under the Draft Issue Document and Issue Document in terms of the SEBI ICDR Regulations:

- a) such companies (other than promoters and subsidiaries) with which the Company has had related party transactions (in accordance with the applicable accounting standards) during the periods for which financial information is disclosed in the Issue document i.e., the Restated Financial Information included in the Issue Documents, as covered under the applicable accounting standards; and
- b) any other companies as considered material by the Board.

Accordingly, for 2(a) 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 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 2(b) above, a company (other than the promoter, the subsidiary(ies) (if any) and companies categorized under 2(a) 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 SEBI ICDR Regulations; and the Company has entered into one or more transactions with such company during the last completed Fiscal for which Restated Financial Information are being included, which individually or cumulatively in value exceeds twenty five (25) percent of the consolidated revenue from operations of the Company for the last completed Fiscal as per the Restated Financial Information.

For the avoidance of doubt, it is clarified that the above policy on materiality shall be without prejudice to any disclosure requirements, which may be prescribed by SEBI and/ or such other applicable authority with respect to listed companies and that the above policy on materiality is solely from the perspective of disclosure requirements prescribed under the SEBI ICDR Regulations with respect to the Draft Issue Document and Issue Document and should not be applied towards any other purpose.

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C. OUTSTANDING DUES TO CREDITORS

Requirement:

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

- (i) Based on the policy on materiality of the Board of the Company, details of 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;
- (iii) Complete details about outstanding overdues to material creditors as per (i) and (ii) above along with the name and amount involved for each such material creditor shall disclosed, on the website of the Company with a web link thereto.

Policy on Materiality with respect to outstanding dues to creditors:

The Company shall disclose complete details of outstanding dues to creditors (excluding banks and financial institutions from whom the Company has availed of financial facilities) if the amount due to any one of them exceeds **5% (five percent)** of the total Creditors of the Company as per the last audited financial statements of the Company included in the Draft Issue Document and Issue Document.

It is clarified that the above policy on materiality of creditors shall be without prejudice to any disclosure requirements, which may be prescribed by SEBI and/or such other applicable authority with respect to listed companies and the above policy on materiality is solely from the perspective of disclosure requirements prescribed under the SEBI ICDR Regulations with respect to the Draft Issue Document and Issue Document and the website of the Company and should not be applied towards any other purpose.

5. AMENDMENT:

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.

6. DISSEMINATION OF THE POLICY

The policy shall be hosted on the website of the Company i.e. <https://vishwasrefoils.com/>

Note: This Policy shall come into effect from 19th December, 2025.

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