POLICY ON IDENTIFICATION OF GROUP COMPANIES, MATERIAL CREDITORS AND MATERIAL LITIGATIONS

ANAWIL WIRE AND ENGINEERING LIMITED

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ANAWIL WIRE AND ENGINEERING LIMITED

POLICY ON IDENTIFICATION OF GROUP COMPANIES, MATERIAL CREDITORS AND MATERIAL LITIGATIONS

A. INTRODUCTION

This policy ("**Policy**") has been formulated to set out the thresholds of materiality of **ANAWIL WIRE AND ENGINEERING LIMITED** ("**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 from time to time) ("**SEBI ICDR Regulations**"), in respect of the following:

A. Identification of companies to be disclosed as Group Companies;
B. Identification of 'material' litigation (excluding disciplinary actions against the promoters, criminal proceedings, statutory/regulatory actions and taxation matters); and
C. Identification of 'material' creditors.

B. APPLICABILITY AND OBJECTIVE

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

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

The Company has adopted this Materiality Policy for identification of: (i) Group Companies; (ii) material creditors; and (ii) material litigations pursuant to the provisions of SEBI ICDR Regulations, details of which shall be disclosed in the Issue Documents.

In this Materiality Policy, the term "Issue Documents" shall mean the draft red herring prospectus, the red herring prospectus and the prospectus to be filed by the Company in connection with the proposed initial public offering of its Equity Shares with the Securities and Exchange Board of India, Registrar of Companies, Ahmedabad, Gujarat and stock exchanges where the equity shares of the Company are proposed to be listed, as applicable.

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

In this Materiality Policy, unless the context otherwise requires:

a. Words denoting the singular shall include the plural and vice versa; and

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

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

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

Identification of Group Companies:

Requirement:

As per Regulation 2(1)(t) of the SEBI ICDR Regulations, Group Companies shall include *"such companies (other*

ANAWIL WIRE AND ENGINEERING LIMITED

than promoter(s) and subsidiary(ies)) 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".

Policy on Materiality:
For the purpose of disclosure in the Issue Documents, a company shall be considered and disclosed as a Group Company if:

a. the companies with which there were related party transactions (in accordance with Ind AS 24), as disclosed in the Restated Financial Statements ("**Restated Financial Statements**"); or

b. if such company fulfils both the below mentioned conditions: -

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

   ii. Our Company has entered into one or more transactions with such company in preceding fiscal or audit period as the case may be exceeding 10.00% of total revenue of the company as per Restated Financial Statements.

Accordingly, based on the Restated Financial Statements of the Company for **Fiscals 2025, 2024 and 2023**, below entities are identified as Group Companies:

1. Darpan Infrastructure Private Limited ("Group Company")

For avoidance of doubt, it is hereby clarified that the subsidiaries and step-down subsidiaries of the Company, shall not be considered as 'Group Companies' for the purpose of disclosure in the Issue Documents.

Identification of Material Creditors

Requirement:

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

i. Based on the policy on materiality defined by the Board, details of the creditors which include the number of creditors and the aggregate amount involved, will be disclosed in the Issue Documents;

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

iii. Complete details about 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 Issue Documents.

Policy on materiality

For identification of material creditors (except banks and financial institutions from whom the Company has availed financing facilities), in terms of point (i) above, a creditor of the Company shall be considered to be material for the purpose of disclosure in the Issue Documents, if amounts due to such creditor exceed 5% of the total trade payables of the Company as per the most recently completed fiscal as per the Restated Financial Statements ("**Restated Financial Statements**") of the Company, as disclosed in the Issue Documents.

NAHAR WIRE AND ENGINEERING LIMITED

Disclosure in the Issue Documents regarding material creditors and MSMEs

a. For creditors identified as 'material' based on the abovementioned Policy, information on outstanding dues to such material creditors shall be disclosed in the Issue Documents along with the details of the material creditors, which include the number of creditors and amount involved on an aggregate basis, as on **March 31, 2025**, based on the Restated Financial Statements of the Company included in the Issue Documents.

b. 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 Issue Documents in the following manner:

I. aggregate amounts due to such MSME creditors; and
II. aggregate number of such MSME creditors

as on **March 31, 2025**, based on the Restated Financial Statements of the Company included in the Issue Documents.

c. Complete details about outstanding over dues to the 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 in the Issue Documents.

The Company shall make relevant disclosures before the Audit Committee/ Board of Directors as required by applicable law from time to time.

Identification of Material Litigations (excluding disciplinary actions against the promoters, criminal proceedings, statutory/regulatory actions and taxation matters)

Requirement:

As per the requirements of SEBI ICDR Regulations, the Company shall disclose the following pending litigation involving the Company, Subsidiary, its Promoters and Directors (collectively, "**Relevant Parties**"):

1) All criminal proceedings;
2) All actions taken by statutory and regulatory authorities;
3) Tax proceedings - claims related to direct and indirect taxes; and
4) Other pending litigation/ arbitration- as per policy of materiality defined by the Board and disclosed in the Issue Documents.

Further, as per the requirements of SEBI ICDR Regulations, the Company shall also disclose such outstanding litigation involving the group companies which has a material impact (as determined by the Board) on the Company.

Policy on materiality

For the purpose of above, any other pending civil litigation or arbitration involving the Company, its Promoters and its Directors ("**Relevant Parties**") shall be considered "material" for the purpose of disclosure in the Issue Documents if:

i. the monetary claim made by or against the Relevant Parties, in any pending/outstanding litigation involving the Relevant Parties exceeds the amount which is 5% of the profit after tax, as per the Restated Financial

For ANAWIL WIRE AND ENGINEERING LIMITED

DIRECTOR

ANAWIL WIRE AND ENGINEERING LIMITED