

MATERIALITY POLICY ON FRAUD

1. Purpose

The purpose of this Policy is to establish a framework for determining the materiality of any fraud or suspected fraud for the purpose of disclosure in the Draft Red Herring Prospectus (DRHP), Red Herring Prospectus (RHP), and Prospectus (collectively, the "Issue Documents") in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), each as amended from time to time.

2. Applicability

This Policy shall be applicable to the Company and its:

- Directors and Promoters;
- Key Managerial Personnel (KMPs);
- Senior Management Personnel;
- Employees and Subsidiaries.

3. Definition of Fraud

For the purposes of this Policy, "Fraud" shall have the meaning ascribed to it under:

- Section 447 of the Companies Act, 2013;
- Applicable SEBI Regulations, including any fraud, misstatement, or omission in disclosures made in the Issue Documents or financial statements; and
- Internal Company policies or audit findings that reveal intentional misrepresentation, suppression of facts, or any other deceitful conduct.

4. Materiality Threshold for Fraud

A fraud or suspected fraud shall be considered material and subject to disclosure if it meets any of the following criteria:

I. Quantitative Criteria

Fraud shall be deemed material if:

- The value involved or potential financial/reputational impact is equal to or exceeds 1% of the Company's turnover or net worth, as per the most recent audited or restated financial statements.

II. Qualitative Criteria

Irrespective of the monetary threshold, fraud shall be considered material if:

- It involves Key Managerial Personnel or Senior Management;
- It impacts or may impact the Company's status as a going concern;
- It results or may result in significant reputational, regulatory, or stakeholder trust damage; or
- It is reportable to any regulatory, enforcement, or statutory authority (e.g., SEBI, ROC, RBI, CBI, SFIO).

5. Reporting and Disclosure Process

- All instances of suspected or confirmed fraud must be reported promptly to the Audit Committee.
- If deemed material, the matter shall be escalated to the Board of Directors for review and necessary action, including disclosure approval.
- All material frauds shall be disclosed in the DRHP, RHP, and Prospectus, as applicable, and reported in accordance with the requirements of SEBI LODR Regulations post-listing.

6. Review and Amendment

This Policy shall be reviewed annually or as and when necessitated by changes in applicable laws or regulations. The Board of Directors, or any committee duly authorized by it, may amend, modify, or supplement this Policy as deemed necessary.

For STEAMHOUSE INDIA LIMITED


Director / Autho.