

## MATERIALITY POLICY

### Introduction

This document has been formulated to define the materiality policy for identification of (1) material litigation involving Steamhouse India Limited (the “**Company**”), its Subsidiary, Directors and its Promoters (the Company, its Directors and Promoters, collectively, the “**Relevant Parties**”), its Key Managerial Personnel (“**KMPs**”) and its Senior Management (“**SMPs**” and together with the KMPs and Relevant Parties, the “**Identified Parties**”); (2) the material creditors of the Company; and (3) group companies of the Company (together, the “**Policy**”), each in terms of the disclosure requirements under Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “**SEBI ICDR Regulations**”).

This Policy shall be effective from the date of its approval by the board of directors of the Company (the “**Board**”) or a duly constituted committee thereof. This Policy was approved by the Board at their meeting held on June 17, 2025.

In this Policy, the term “**Issue Documents**” shall mean the pre-filed draft red herring prospectus (“**Pre-filed DRHP**”), the updated draft red herring prospectus-I, the updated draft red herring prospectus-II (if required), the red herring prospectus, and the prospectus, including any addendum or corrigendum thereto to be filed and/or submitted by the Company in connection with the proposed initial public offering of its equity shares with the Securities and Exchange Board of India (the “**SEBI**”), the Registrar of Companies, Gujarat at Ahmedabad or the stock exchanges where the equity shares of the Company are proposed to be listed, as applicable; and the term “**Restated Financial Information**” shall mean the restated financial statements of the Company included in such Issue Documents.

### **1. Materiality policy for litigation**

#### *Requirement*

In terms of the SEBI ICDR Regulations, the Company is required to disclose the following pending litigation:

- (a) All outstanding criminal proceedings (including matters which are at FIR stage even if no cognizance has been taken by any court or any other judicial authority) involving any of the Identified Parties;
- (b) All outstanding actions (including all penalties and show cause notices) by statutory and / or regulatory authorities involving any of the Identified Parties (including any judicial, quasi-judicial, administrative or enforcement authorities);
- (c) Outstanding taxation proceedings involving the Relevant Parties - disclosures regarding claims related to direct and indirect taxes, in a consolidated manner, giving details of the number of cases and total amount involved; and
- (d) Other pending litigations involving the Relevant Parties based on lower of threshold criteria mentioned below:

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**Director / Autho.**

- a) As per the policy of materiality defined by the board of directors of the Company and as disclosed in the Issue Documents; or
- b) Litigation where the value or expected impact in terms of value, exceeds the lower of the following:
  1. two percent of turnover, as per the latest annual restated financial information of the Company, as disclosed in the Issue Documents; or
  2. two percent of net worth, as per the latest annual restated financial information of the Company, as disclosed in the Issue Documents, except in case the arithmetic value of the net worth is negative; or
  3. five percent of the average of absolute value of profit or loss after tax, as per the last three annual restated financial information of the Company, as disclosed in the Issue Documents.

Additionally, in terms of the SEBI ICDR Regulations, the Company is required to disclose: (a) any disciplinary action (including a penalty) imposed by SEBI or any of the stock exchanges against the Promoters in the five financial years preceding the relevant Issue Document, including any outstanding action; (b) outstanding litigation involving the Group Companies, which may have a 'material impact' on the Company, as applicable and (c) any outstanding criminal proceedings (including matters which are at FIR stage even if no cognizance has been taken by any court or any other judicial authority)] and actions (including all penalties and show cause notices) by statutory and / or regulatory authorities against the Key Managerial Personnels and Senior Management;

**Note:**

*With respect to outstanding litigations involving the Group Companies, only such outstanding litigations shall be disclosed in the Issue Documents, that could have a material impact on the Company in the opinion of the Board. All Group Companies are required to identify in their certificates pending litigation involving such companies which are considered material by the respective Group Company and which, in their view may have a material impact on the company. Having received details of such litigation from the Group Companies, the Company (acting through its Board/ IPO Committee) will determine which of such identified litigation may have a material impact on the Company.*

*Policy on materiality*

**For the purposes of determining litigation / arbitration proceedings referred to in point (d) above, the following criteria shall apply:**

- A. Any pending litigation / arbitration proceedings (other than litigations mentioned in points 1 (a) to (c) above) involving any of the Relevant Parties shall be considered "material" for the purposes of disclosure in the Issue Documents, if:
  - (i) *Monetary threshold:* the aggregate monetary claim/ dispute amount made by or against the Relevant Parties, in any such pending litigation/ arbitration proceeding exceeds the lower of the following:
    - (a) two percent of turnover, as per the latest annual restated consolidated financial statements of the Company; or
    - (b) two percent of net worth, as per the latest annual restated consolidated financial statements of the Company, 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 annual restated consolidated financial statements for the last three fiscals of the Company.

**Note:** For the purpose of clause (c) above, it is clarified that the average of absolute value of profit or loss after tax is to be calculated by disregarding the 'sign' (positive or negative) that denotes such value.

(ii) *Subjective threshold:* any monetary liability is not quantifiable, or does not fulfil the threshold as specified in paragraphs A(i) above, as applicable, but the outcome of which could, nonetheless, directly or indirectly, or together with similar other proceedings, have a material adverse effect on the business, operations, results of operations, performance, cash flows, prospects, financial position or reputation of the Company.

(iii) *Tax matters:* In the event any tax matters involve an amount exceeding the monetary threshold proposed in (i) above, in relation to the Relevant Parties, individual disclosures of such tax matters will be included.

Further, pre-litigation notices received by the Identified Parties from third parties (excluding those notices issued by statutory/regulatory/tax/judicial/quasi-judicial/administrative authorities or notices threatening criminal action or first information reports) shall, unless otherwise decided by the Board, not be considered as material litigation, until such time that an Identified Party is impleaded as a defendant or respondent in any proceedings before any judicial/quasi judicial/ arbitral forum or governmental authority.

## **2. Materiality policy for identification of material creditors**

### *Requirement:*

In terms of the SEBI ICDR Regulations, the Company shall make the following disclosures in the Issue Documents for outstanding dues to creditors:

- (a) based on the policy on materiality adopted by the Board of Directors, details of the Company's creditors, including the consolidated number of creditors and the aggregate amount involved;
- (b) consolidated information on outstanding dues to micro, small and medium enterprises, material creditors and other creditors, separately giving details of number of cases and amount involved; and
- (c) a link to the Company's website wherein complete details pertaining to the outstanding overdues to material creditors along with names and amounts involved for each such material creditor will be hosted.

### *Policy on materiality:*

For the purposes of identification of material creditors, 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 is equal to, or in excess of 5% of the total consolidated trade payables, of the Company as at the end of the latest financial period included in the Restated Financial Information disclosed in the Issue Documents. For outstanding dues to MSMEs and other creditors, the disclosure will be based on information available with the Company regarding the status of the creditors as MSME as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended.

### **3. Materiality Policy for identification of group companies**

#### *Requirement:*

As per the SEBI ICDR Regulations, the term 'group companies', for the purpose of disclosure in the Issue Documents, shall include (i) such companies (other than promoter(s)) and subsidiaries with which the relevant issuer company had related party transactions during the period for which restated consolidated financial information is disclosed, as covered under applicable accounting standards; and (ii) any other companies considered material by the board of directors of the relevant issuer company.

Accordingly, for (i) above, all such companies (other than our Promoters and Subsidiary) with which there were related party transactions in accordance with Indian Accounting Standard (Ind AS) 24, during the periods covered in the Restated Consolidated Financial Information, shall be considered as group companies in terms of the SEBI ICDR Regulations.

#### *Policy on materiality:*

For the purposes of identification of group companies, other than the companies categorized under (i) above, a company shall be considered "material" and will be disclosed as a "group company" if such company forms part of the Promoter Group of the Company (as defined under Regulation 2(1)(pp) of the SEBI ICDR Regulations) and with which there were transactions in the most recent financial year or relevant stub period, if any, which individually or in the aggregate, exceed 10% of the revenue from operations of the Company, as per the Restated Financial Consolidated Information for that period.

#### *General*

It is clarified that the above-mentioned policies are solely from the perspective of disclosure requirements prescribed under the SEBI ICDR Regulations with respect to the Issue Documents and should not be applied towards any other purpose, including for disclosure of material information by listed entities pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

This Policy shall be without prejudice to any disclosure requirements, which may be prescribed by SEBI and/ or such other regulatory or statutory authority with respect to listed companies or disclosure requirements as may be prescribed by SEBI through its observations on the Issue Documents, or disclosures that may arise from any investor or other complaints.

The above-mentioned policies shall be subject to review / changes as may be deemed necessary and in accordance with applicable law from time to time, and the Board or any of its duly authorized committees shall have the power to amend and substitute the provisions of this Policy or to replace the Policy in its entirety.

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

**For STEAMHOUSE INDIA LIMITED**  
  
**Director / Autho.**