

S.R.G. NARROW FAB LIMITED

(Formerly Known as S.R.G. NARROW FAB PRIVATE LIMITED)

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POLICY ON IDENTIFICATION OF GROUP COMPANIES

{PURSUANT TO SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS)
REGULATIONS, 2018}

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POLICY ON IDENTIFICATION OF GROUP COMPANIES

A. INTRODUCTION

This Policy has been formulated to define the materiality for identification of group companies in respect of S.R.G. NARROW FAB 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 amended from time to time (“**SEBI ICDR Regulations**”).

B. APPLICABILITY AND OBJECTIVE

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

The Board of Directors of the Company (“**Board**”) at their meeting held on May 1, 2026 discussed and approved this, Policy. This Policy shall be effective from the date of approval of this Policy by the Board.

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.

“**Offer Documents**” means 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 (“**RoC**”) 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 Policy shall have the same meanings ascribed to such terms in the Offer Documents.

In this 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.

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

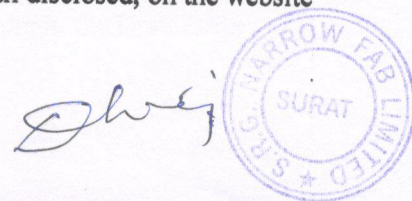
The Policy with respect to the identification of the material creditors, material litigation and group companies shall be as follows:

Identification of ‘Material’ Creditors:

As per the requirements of SEBI (ICDR) Regulations, 2018 the Company shall make relevant disclosures in the Draft Offer Document and Offer Document for outstanding dues to creditors:

- a) 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;
- b) Consolidated information on outstanding dues to micro, small and medium enterprises and other creditors, separately giving details of number of cases and amount involved;
- c) 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 be disclosed, on the website of the Company with a web link thereto.

Policy on Materiality with respect to outstanding dues to creditors:



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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% of the trade payables of the Company as per the last audited financial statements of the Company included in the Draft Offer Document and Offer 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 Offer Document and Offer Document and the website of the Company and should not be applied towards any other purpose.

Identification of 'Material' Creditors:

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:

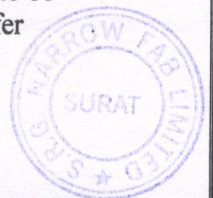
- i) All criminal proceedings;
- ii) All actions by statutory or regulatory authorities;
- iii) All Claims related to direct and indirect taxes, in a consolidated manner giving details of number of cases and total amount; and
- iv) Disciplinary action including penalty imposed by SEBI or stock exchanges against the promoters in the last five financial years including outstanding action;
- v) Other pending litigations based on lower of threshold criteria mentioned below:-
 - a) As per the policy of materiality defined by the board of directors of the issuer and disclosed in the offer document; 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 consolidated financial statements of the issuer; or
 - 2. 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
 - 3. 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.

All criminal proceedings involving key managerial personnel and senior management of the issuer and also the actions by regulatory authorities and statutory authorities against such key managerial personnel and senior management of the issuer shall also be disclosed.

Policy on Material Litigation:

Other than litigations mentioned in points (i) to (iv) above, any other pending litigation involving the Company or its directors or its promoters or its subsidiaries, whichever is applicable and required to be disclosed under law, would be considered "material" for the purpose of disclosure in the Draft Offer Document and Offer Document, the aggregate amount

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- a) if the aggregate monetary amount of claim made by or against the entity or person in any such pending proceeding exceeds (i) 2% of turnover, as per the latest annual Restated Financial Statements of our Company; or (ii) 2% of net worth, as per the latest annual Restated Financial Statements of our Company, except in case the arithmetic value of the net worth is negative; or (iii) 5% of the average of absolute value of profit or loss after tax, as per the last three annual Restated Financial Statements of our Company, whichever is lower;
- b) where monetary liability is not quantifiable or does not exceed the threshold mentioned in point (i) above, the outcome of any such pending proceedings may have a material bearing on the business, operations, performance, prospects, financial position or reputation of our Company; or
- c) any claim/dispute involving the Relevant Parties where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in an individual litigation may not exceed the amount equivalent to 5% of the average of absolute value of profit or loss after tax, as per the last three annual Restated Financial Statements of our Company. The Company shall disclose all the outstanding litigation involving the criminal proceedings of the key managerial personnel and senior management and also the actions by regulatory authorities and statutory authorities against such key managerial personnel and senior management.

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 Offer Document and Offer 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 Offer Document and Offer Document.

Identification of 'Material' Group Companies:

Requirement:

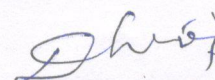
As per the requirements of the SEBI ICDR Regulations, Group Companies include such companies as covered under the applicable accounting standards (i.e. Indian Accounting Standard 24 ("Ind AS 24"), as applicable) as per the restated financial statements for three (3) financial years and any subsequent stub period preceding the date of the Offer Document, which is included in such Offer Document and also any other companies as considered material by the board of directors of the Company.

Policy on Materiality:

The following companies shall be considered to be material Group Company (ies) under the Draft Offer Document and Offer Document:

- (i) According to Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, such a company is part of our Promoter Group;
- (ii) Our company has entered into one or more transactions with such a company in the preceding fiscal or audit period, as the case may be, which individually or cumulatively in value exceeds 10% of the revenue from operations of the Company for the last completed Fiscal as per the Restated Financial Statements.

For avoidance of doubt, it is hereby clarified that the Subsidiaries shall not be considered as Group Companies for the purpose of disclosure in the Offer Documents.



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D. 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 be subject to review/changes as may be deemed necessary and in accordance with regulatory amendments from time to time.

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