

Dhaval Packaging Limited

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



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

1. INTRODUCTION

Securities Exchange Board of India (“SEBI”), vide its notification dated August 14, 2015, notified the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations (Fourth Amendment) Regulations, 2015 (“4 Amendment Regulations”) whereby SEBI (i) modified the definition of the ‘group companies’; (ii) modified the disclosure requirements pertaining to litigation involving the issuer company, its directors, its subsidiaries (if any), its promoters and its group companies; and (iii) modified the disclosure requirement pertaining to the outstanding dues to creditors. Accordingly, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI Regulations”) stands amended to this extent.

The Board of Directors of Dhaval Packaging Limited (“the Company”) has adopted the following policy and the Board may amend this policy from time to time.

2. OBJECTIVE

In view of the 4 Amendment Regulations, the Board of Directors (“Board”) of Dhaval Packaging Limited (“Company”) has adopted this policy and procedures for determination of:

- i. Companies which are considered to be material as a Group company of the Company within the meaning of ‘Group Company’ defined under the SEBI Regulations;
- ii. Material Creditors; and
- iii. Material Litigation

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

3. INTERPRETATION

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.

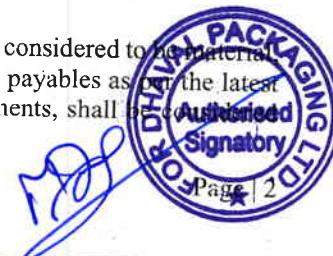
4. POLICY PERTAINING TO THE IDENTIFICATION OF MATERIAL CREDITORS, MATERIAL LITIGATIONS AND GROUP COMPANIES

The policy with respect to the identification of the of our Material Creditors, Material Litigation and group companies shall be as follows:

Identification of Material Creditors

Our Company is required to disclose pursuant to Para 12(A)(2) of Part A of Schedule VI of the SEBI Regulations in the Draft Prospectus / Prospectus, the details of the outstanding dues to creditors: (i) based on the policy on materiality of our Board, complete disclosure for such creditors; and (ii) consolidated information on outstanding dues to small scale undertakings and other creditors, separately giving details of number of cases and amount involved. Additionally, our Company is required to provide complete details about outstanding dues to creditors as per (i) and (ii) above on the webpage of our Company with a web link thereto in the Draft Prospectus / Prospectus which is as follows: -

For identification of material creditors, any creditor of the Company shall be considered to be material if the amount due to any one of them exceeds five percent (5.00%) of trade payables as per the latest restated financial statements of the Company disclosed in the Offer Documents, shall be considered material.



The key managerial personnel (KMPs) of the Company consisting of the managing director & chief executive officer/ whole-time director(s), chief financial officer and company secretary are hereby jointly and severally authorized to determine the materiality of an event or information and make disclosures to stock exchange(s), subject to such information being placed prior to or at the next Board Meeting held after the said information being made public. All disclosures shall be available on the website of the Company for a period of 5 years.

Identification of Material Litigation

Our Company is required to disclose in the Draft Prospectus / Prospectus all outstanding: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) taxation matters (indirect and direct taxes); and (iv) other pending material litigation, involving our Company, our directors, our promoters and our Group Companies.

- i. For the purposes of disclosure pursuant to Para 12(A)(1) of Part A of Schedule VI of the SEBI Regulations and the Materiality Policy, following litigation are considered material for disclosure in Draft Prospectus/Prospectus of our Company:

All pending litigation/arbitration proceedings, including any litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, disciplinary action including penalty imposed by SEBI or stock exchange against the promoters in the last five financial years including any outstanding action, and tax matters (direct or indirect), would be considered 'material' if (i) the aggregate monetary amount of claim by or against the Company, its Directors and/or Promoters (individually or in aggregate) in any such pending litigation/ arbitration proceeding is in excess of 5% of the Profit After Tax as per the last audited financial statements of the Company; and (ii) 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.

- ii. For the purposes of determining material litigation(s) involving our Directors, our Board shall consider all outstanding litigation involving each Director and it believes that if any such litigation has an adverse outcome and therefore, would materially and adversely affect the reputation, operations or financial position of our Company, it shall be considered as material litigation and accordingly, each of our directors shall identify and provide information relating to such outstanding litigation involving themselves.

Identification of the Group Companies

As per schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, the Company is required to define materiality policy, for identification of "Group Companies" for disclosure of "Group Companies" in its draft prospectus/prospectus as:

"The words "group companies", wherever they occur, shall include such companies as covered under applicable accounting standards and also other companies as considered material by the board of the issuer."

In terms of the SEBI ICDR Regulations, the term 'group companies' includes (i) such companies (other than promoter(s) and subsidiary (ies)) with which the issuer company had related party transactions during the period for which financial information is disclosed in the issue document, as covered under the applicable accounting standards, and (ii) any other companies as considered material by the board of directors of the issuer.

Therefore, as per the requirements of the SEBI ICDR Regulations, Group Companies shall include:

- i. Such all such companies (other than our Corporate Promoter and Subsidiaries) with which our Company had related party transactions during the period covered in the Restated



Financial Statements, as covered under the applicable accounting standards, are considered as Group Companies in terms of the SEBI ICDR Regulations; and

ii. Companies as considered material by the Board.

5. AMENDEMENT

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. EFFECTIVE DATE

The policy will be effective from October 18, 2025.

