

BHADORA INDUSTRIES LIMITED

(Previously known as Bhadora Industries Private Limited)

CIN:- U31300MP2013PLC030767

Regd. Office:- Office No. 505, Plot No. 39.405, NRK Biz Park PU-4,
Scheme N 54, DDU Nagar, Indore, Madhya Pradesh, 452010, India.

Contact:- 07554224872, Email id:- info@vidhutcables.com

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

A. INTRODUCTION

This policy ("**Policy**") has been formulated to set out the thresholds of materiality of Bhadora Industries 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:

- I. Identification of 'material' litigation (excluding disciplinary actions against the promoter, criminal proceedings, statutory/regulatory actions and taxation matters); and
- II. Identification of 'material' creditors.
- III. Identification of Material Group Companies.

B. APPLICABILITY AND OBJECTIVE

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

The board of directors of the Company ("**Board**") at their meeting held on 27th September 2024, discussed and approved this Materiality Policy which was further modified in the meeting held on 14th July, 2025. 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) material creditors; and (ii) material litigations (iii) Material Group Companies, pursuant to the provisions of SEBI ICDR Regulations, details of which shall be disclosed in the Offer Documents.

In this Materiality Policy, the term "Offer 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, Mumbai, Maharashtra and stock exchanges where the equity shares of the Company are proposed to be listed, as applicable.

BHADORA INDUSTRIES LIMITED

(Previously known as Bhadora Industries Private Limited)

CIN:- U31300MP2013PLC030767

Regd. Office:- Office No. 505, Plot No. 39.405, NRK Biz Park PU-4,
Scheme N 54, DDU Nagar, Indore, Madhya Pradesh, 452010, India.

Contact:- 07554224872, Email id:- info@vidhutcables.com

All other capitalized terms not specifically defined in this Materiality Policy shall have the same meanings ascribed to such terms in the Offer 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 MATERIAL CREDITORS, MATERIAL LITIGATIONS AND MATERIAL GROUP COMPANIES

The Materiality Policy with respect to the identification of the material creditors, material litigation and Material Group Companies shall be as follows:

I. Identification of Material Creditors

Requirement:

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

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

BHADORA INDUSTRIES LIMITED

(Previously known as Bhadora Industries Private Limited)

CIN:- U31300MP2013PLC030767

Regd. Office:- Office No. 505, Plot No. 39.405, NRK Biz Park PU-4,
Scheme N 54, DDU Nagar, Indore, Madhya Pradesh, 452010, India.

Contact:- 07554224872, Email id:- info@vidhutcables.com

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 Offer Documents, if amounts due to such creditor exceed 5% of the total trade payables of the Company as per the most recently completed financial period as per the Restated Financial Statements ("**Restated Financial Statements**") of the Company, as disclosed in the Offer Documents.

Disclosure in the Offer Documents regarding material creditors and MSMEs

- a. For creditors identified as 'material' based on the above mentioned Policy, information on outstanding dues to such material creditors shall be disclosed in the Offer Documents along with the details of the material creditors, which include the consolidated number of creditors and amount involved on an aggregate basis, based on the Latest Financial Statements of the Company included in the Offer 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 Offer Documents in the following manner:

I. aggregate amounts due to such MSME creditors; and

II. aggregate number of such MSME creditors based on the Latest Financial Statements of the Company included in the Offer 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 Offer Documents.

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

BHADORA INDUSTRIES LIMITED

(Previously known as Bhadora Industries Private Limited)

CIN:- U31300MP2013PLC030767

Regd. Office:- Office No. 505, Plot No. 39.405, NRK Biz Park PU-4,
Scheme N 54, DDU Nagar, Indore, Madhya Pradesh, 452010, India.

Contact:- 07554224872, Email id:- info@vidhutcables.com

II. Identification of Material Litigations (excluding disciplinary actions against the promoter, 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, its Promoter and Directors (collectively, “**Relevant Parties**”):

- 1) All criminal proceedings;
- 2) All actions by regulatory authorities and statutory authorities;
- 3) Disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoter in the last five financial years including outstanding action;
- 4) Claims related to direct and indirect taxes, in a consolidated manner, giving the number of cases and total amount; and
- 5) Other pending civil litigations - as per policy of materiality defined by the Board and disclosed in the Offer Documents.

Further, as per the requirements of SEBI ICDR Regulations, the Company shall also disclose such outstanding litigation involving the Material Group Companies which has a material impact (as determined by the Board) on the Company. However, we do not have any group company as on date.

Policy on materiality

For the purpose of point (V) above, our Board has considered and pass the Resolution for identification of material litigation involving the Relevant Parties in its meeting held on September 27, 2024 and has considered for identification of material litigation involving the Relevant Parties.

In terms of the Materiality, all pending 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 exchanges against the Promoters since incorporation including outstanding action, and tax matters, would be considered ‘material’ if:

BHADORA INDUSTRIES LIMITED

(Previously known as Bhadora Industries Private Limited)

CIN:- U31300MP2013PLC030767

Regd. Office:- Office No. 505, Plot No. 39.405, NRK Biz Park PU-4,
Scheme N 54, DDU Nagar, Indore, Madhya Pradesh, 452010, India.

Contact:- 07554224872, Email id:- info@vidhutcables.com

The value or expected impact in terms of value, exceeds the lower of the following:

- a. two (2) percent of turnover, as per the latest annual restated consolidated financial statements of the Issuer; or;
- b. two (2) percent of net worth, as per the latest annual restated Consolidated financial statements of the Issuer, except in the case the arithmetic value of the net worth is negative; or
- c. five (5) 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.

Further, pre-litigation notices received by the Company, its Promoter and Directors (excluding those notices issued by statutory, regulatory or tax authorities), unless otherwise decided by our Board, are not evaluated for materiality until such time that such parties are impleaded as defendants in litigation proceedings before any judicial forum. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered 'material' only in the event that the outcome of such litigation has a bearing on the operations or performance of the Company.

The above policy on materiality shall be without prejudice to any disclosure requirements, which may be prescribed under the Companies Act, 2013 and the rules thereunder with respect to disclosure of litigation, notices, disputes and other proceedings in the Offer Documents or by SEBI and/or such other applicable authority with respect to listed companies or disclosure requirements as may be prescribed by SEBI through its observations on the Offer Documents, or disclosures that may arise from any investor or other complaints. In this regard, it is clarified that the above policy on materiality is solely from the perspective of disclosure requirements prescribed under the SEBI ICDR Regulations with respect to the Offer Documents and should not be applied towards any other purpose.

BHADORA INDUSTRIES LIMITED

(Previously known as Bhadora Industries Private Limited)

CIN:- U31300MP2013PLC030767

Regd. Office:- Office No. 505, Plot No. 39.405, NRK Biz Park PU-4,
Scheme N 54, DDU Nagar, Indore, Madhya Pradesh, 452010, India.

Contact:- 07554224872, Email id:- info@vidhutcables.com

III. Identification of 'Material' Group Companies:

Requirement:

As per the requirements of the SEBI ICDR Regulations, Material 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 consolidated 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: A company shall be considered material and disclosed as a Group Company if a material adverse change in such company, can lead to a material adverse effect on the Company, and its revenues and profitability. Other than companies which constitute part of the related parties of the Company in accordance with the applicable accounting standards (IND AS 24) as per the latest audited and restated consolidated financial statements of the Company included in the Offer Documents.

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

D. AMENDMENT

The Board (including its duly constituted committee wherever permissible) shall have the power to amend any of the provisions of this Materiality Policy, substitute any of the provisions with a new provision or replace this Materiality Policy entirely with a new Policy. This Materiality Policy shall be subject to review / changes as may be deemed necessary and in accordance with regulatory amendments from time to time.