



**TRIDENT TEXOFAB LIMITED**

**(CIN : L17120GJ2008PLC054976)**

**POLICY FOR IDENTIFICATION OF  
'MATERIAL' GROUP ENTITIES**

## 1. Introduction

This Policy has been formulated to define the materiality for identification of material group companies in respect of Trident Texofab Limited (the "Company"), pursuant to the disclosure requirements under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as may be amended from time to time ("SEBI ICDR Regulations"), which requires the policy of Materiality to be disclosed in the offer document. Now to align with the various amendments in SEBI (Listing Obligations and Disclosure Requirements) 2015 and change in KMP, the Board has approved new policy in place of existing policy on 30<sup>th</sup> March, 2023.

### **Effective Date:**

This Policy shall be effective from the date of approval of the policy by the Board of Directors of the Company ("Board") i.e. 30<sup>th</sup> March, 2023.

In this Policy, the term "Offer Documents" shall mean the draft red herring prospectus, the red herring prospectus, the prospectus or Shelf prospectus 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 Registrar of Companies, Gujarat (Ahmedabad) and /or stock exchange where the equity shares of the Company are proposed to be listed, as applicable

## 2. Identification of "Material" Group Companies

### **Requirement**

As per the SEBI ICDR Regulations, the term "Group Companies", shall include such companies "as covered under the applicable accounting standards and other companies as considered material by the board of the Company".

### **Policy on materiality**

I. Companies disclosed as related parties in accordance with the relevant accounting standard, i.e Accounting Standard-18, in the Restated Financial Statements of the Company for the last three financial years will be treated as Group Companies, irrespective of whether the company has had any transaction with the related party;

II. For the purpose of the offer documents , a company shall be considered "Material " and will be disclosed as a "Group Company" in the offer documents, if:

- Such company forms part of the Promoter Group and the Company has entered into one or more transaction with such company that, individually or cumulatively exceed 10 % of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year,(Such

period collectively referred to as the “Relevant Period”); and/ or

- Such company, subsequent to the Relevant period, would require disclosure in the standalone or consolidated financial statements of the Company for subsequent periods as entities covered under Accounting Standard 18, in addition to/ other than those companies covered under the schedule of related party relationship in terms of Accounting Standard 18 in the standalone and consolidated audited financial statements of the Company for the Relevant Period.

For avoidance of doubt, it is clarified that any companies which, subsequent to the Relevant Period, have ceased to be related parties of the Company in terms of Accounting Standard 18 solely on account of there being no significant influence/ control over such company in terms of Accounting Standard 18 after the Relevant period shall not be considered as “Group Companies”, for the purpose of disclosure in the offer documents.

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