



ASPRI SPIRITS LIMITED
(Formerly known as Aspri Spirits Private Limited)



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MATERIALITY POLICY

Version History

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Document Approved by	Board of Directors



MATERIALITY POLICY

1. Introduction

This policy has been formulated to define the materiality thresholds for: (i) disclosure of litigation involving Aspri Spirits Private Limited (the “**Company**”), its subsidiaries, its promoters and its directors, as applicable (together with the Company, the “**Relevant Parties**”), and its key managerial personnel and its members of senior management (together, the “**Company Personnel**”); (ii) disclosure of litigation involving the group companies of the Company which have a material impact on the Company; and (iii) determination of material creditors, in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “**SEBI ICDR Regulations**”).

The board of directors of the Company (the “**Board**”) at their meeting held on December 11, 2025 discussed and approved this policy. This Policy shall be effective from the date of its approval by the Board.

In this Policy, the term “**Offer Documents**” shall mean the draft red herring prospectus, the red herring prospectus and the prospectus (along with any addenda or corrigenda thereto), as applicable, to be filed and/or submitted by Company in connection with the proposed initial public offering of its equity shares with the Securities and Exchange Board of India (“**SEBI**”), the Registrar of Companies, Maharashtra at Mumbai and the stock exchanges where the equity shares of the Company are proposed to be listed, and any other regulatory authorities, as applicable; and the term **Restated Consolidated Financial Information** shall mean the restated consolidated financial statements of the Company, as disclosed in the relevant Offer Document, together with the summary statement of significant accounting policies, and other explanatory information thereon derived from the relevant audited consolidated financial statements, prepared in accordance with the Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 (read with the Companies (Indian Accounting Standards) Rules, 2015, as amended) and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended from time to time.

2. Policy for identification and disclosure of litigations and other matters:

In terms of the SEBI ICDR Regulations, the Company is required to disclose the following pending litigation(s) involving the Relevant Parties in the Offer Documents:

- (i) All outstanding criminal proceedings (including matters which are at the first information report (“**FIR**”) stage even if no cognizance has been taken by any court) involving (i) the Relevant Parties; and (ii) Company Personnel;
- (ii) All outstanding actions (including all penalties, show cause notices, orders passed and any findings/observations or warning letters of any of the inspections by SEBI or any other regulatory authority) by statutory and/or regulatory authorities (including any judicial, quasi-judicial, administrative authorities or enforcement authorities) involving (i) the Relevant Parties; and (ii) Company Personnel;
- (iii) All outstanding claims related to direct and indirect taxes, in a consolidated manner giving details of number of cases and total amount involved in such cases. If a tax matter, whether direct or indirect involves an amount exceeding the threshold proposed in (a) below, in relation to each Relevant Party, a separate disclosure of such tax matter will be included; and



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- (iv) Other pending litigation/arbitration proceedings in accordance with the policy of materiality defined by the Board (the “**Materiality Policy**”) and disclosed in the Offer 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 any of the Promoters in the five financial years preceding the date of the relevant Offer Document, including any outstanding action; and (b) outstanding litigation involving any of the Group Companies, which may have a material impact on the Company, as applicable. Any pending litigation involving the Group Companies, as identified in accordance with provisions of SEBI ICDR Regulations would be considered to have a ‘material impact’ on the Company for the purpose of disclosure in the Offer Documents, if an adverse outcome from such pending litigation would materially and adversely affect the business, operations, cash flows, performance, prospects, financial position or reputation of the Company.

Further, for the purposes of determining outstanding material litigations as mentioned in points 1(iii) and 1 (iv) above:

Any pending civil / arbitration/ tax proceedings involving the Relevant Parties, shall be considered ‘material’ for the purposes of disclosure in the Offer Documents, if:

- a) the monetary amount involved in such a proceeding is equal to or exceeds, the lower of (i) 2% of the turnover of the Company as per the Restated Consolidated Financial Information for the preceding financial year disclosed in the Offer Document; or (ii) 2% of the net worth of the Company as per the Restated Consolidated Financial Information as at the end of the preceding financial year; or (iii) 5% of the average of the absolute value of the profit/loss after tax as per the Restated Consolidated Financial Information for the preceding three financial years disclosed in the relevant Offer Documents (the “**Threshold**”).

For the purpose of clause (iii) above, it is clarified that the average of the absolute value of profit or loss after tax is to be calculated by disregarding the ‘sign’ (positive or negative) that denotes such value; or

- b) any such proceedings wherein a monetary liability is not determinable or quantifiable, or which does not fulfil the materiality threshold as specified in (a) above, but the outcome of such a proceeding could have a material adverse effect on the financial position, business, operations, performance, prospects, or reputation of the Company on a standalone or consolidated basis, in the opinion of the Board; or
- c) the decision in such a proceeding is likely to affect the decision in similar proceedings, such that the cumulative amount involved in such proceedings exceeds the Threshold, even though the amount involved in an individual proceeding may not exceed the Threshold.

2% of turnover, as per the Restated Consolidated Financial Information for Fiscal 2025 is ₹ 92.14 million, 2% of net worth, as per the Restated Consolidated Financial Information as at March 31, 2025 is ₹ 14.54 million and 5% of the average of absolute value of profit or loss after tax, as per the Restated Consolidated Financial Information for the last three Fiscals is ₹ 8.58 million. Accordingly, ₹ 8.58 million has been considered as the Threshold for the purpose of (a) above.



Other matters

Any findings/observations of any inspections by SEBI or any other regulator involving the Relevant Party, which are material and which need to be disclosed or non-disclosure of which may have bearing on the investment decision in relation to the Offer shall be disclosed in the Offer Documents.

With respect to outstanding litigations involving the Group Companies, only such outstanding litigations shall be disclosed in the Offer Documents, that could have a material impact on the Company in the opinion of the Board. All Group Companies will 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.

It is clarified that for the purposes of disclosures in the Offer Documents, pre-litigation notices received by any Relevant Party and Group Companies from third parties (excluding those notices issued by statutory/regulatory/ judicial authorities / governmental/ tax authorities or FIRs (including FIRs where no cognizance has been taken by court), police complaints or notices threatening initiation of criminal action), unless otherwise decided by the Board, shall not be considered as an outstanding litigation until such time the Relevant Party or Group Companies as the case may be, are impleaded as a party in the proceeding before any judicial/arbitral forum or any governmental authority.

3. Policy for identification of Group Companies

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 Company has had related party transactions (in accordance with the applicable accounting standards) during the period for which financial information is disclosed in the offer document i.e., the Restated Financial Information included in the Offer Documents, as covered under the applicable accounting standards; and
- ii. any other companies as considered material by the Board.

Accordingly, for (i) above, all such companies (other than the Subsidiaries) with which there were related party transactions during the period covered in the Restated Consolidated Financial Information, as covered under the applicable accounting standards, shall be considered as Group Companies.

For the purposes of point (ii) above, the policy on identification of any other ‘material’ companies for consideration as Group Companies (other than those covered under the schedule of related party transactions as per the Restated Consolidated Financial Information), is as set out below.

For the purpose of disclosure in the Offer Documents, all such companies (other than the Subsidiary, and the companies categorized under (i) above) shall be considered ‘material’ and will be disclosed as a Group Company in the Offer Documents if such company is a member of the ‘Promoter Group’ of the Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations; and the Company has entered into one or more transactions with such company during the last completed Fiscal or relevant stub period, if applicable, for which Restated Consolidated Financial Information are being included, which individually or cumulatively in value exceeds 10% of the total consolidated revenue from operations of the Company for the last completed Fiscal or stub period, if applicable as per the Restated



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Consolidated Financial Information. A certificate will be obtained from each group company in relation to any pending litigation involving such group companies, the outcome of which could have a material impact on the Company. Further, the Company would be required to pass a resolution taking on record litigations of the group companies which have a material impact on the Company, if any.

Information about Group Companies identified based on the above approach shall be disclosed in the Offer Documents and on company's website in accordance with the SEBI ICDR Regulations.

4. Policy for identification of material creditors

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

- (i) based on the policy on materiality adopted by the Board, details of the Company's material creditors including the consolidated number of creditors and the aggregate amount involved; and
- (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.

Additionally, complete details about outstanding overdue to material creditors including the name of such creditor(s) and amount due to such material creditor (as per (i) above) shall be disclosed on the website of the Company with the relevant web link included in the Offer Documents, as applicable.

For the purposes of identification of material creditors, 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 the amount due to such creditor by the Company is equal to or is in excess of 5% of the consolidated trade payables of the Company as at the end of the most recent period covered in the [Restated Consolidated Financial Information].

For outstanding dues to MSMEs and other creditors, the disclosure will be based on the 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, as has been relied upon by the statutory auditors in preparing their audit report

General

It is clarified that the Policy is solely for the purpose of disclosure requirements in Offer Documents prescribed under the SEBI ICDR Regulations and should not be applied towards any other purpose including for disclosure of material information by listed entities pursuant to the requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, post listing of the equity shares of the Company.

The Policy shall be without prejudice to any disclosure requirements which may be prescribed by SEBI and/ or any other regulatory or statutory 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.

The Policy shall be subject to review/changes as may be deemed necessary and in accordance with applicable law from time to time.



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All capitalised terms used but not specifically defined in this Policy shall have the same meaning as ascribed to them in the Offer Documents.

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