

IBERIA PHARMACEUTICALS INDIA LIMITED

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

INTRODUCTION:

Iberia Pharmaceuticals India Limited (“**the Company**”) is committed to openness and transparency with all stakeholders, ensuring information is shared fairly and promptly.

This policy on identification of group companies, material creditors and material litigations has been formulated to set out the thresholds of materiality of the 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) (the “SEBI ICDR Regulations”), in respect of the following:

1. Identification of companies to be disclosed as Group Companies;
2. Identification of ‘material’ creditor; and
3. Identification of ‘material’ litigation.

This Policy shall be effective from the date of listing of the securities of the Company on the stock exchange(s).

APPLICABILITY AND OBJECTIVE:

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

The Board of Directors of the Company (“**Board**”) at their meeting held on July 21, 2026 approved this Materiality Policy and this policy shall be effective from the date of approval by the Board.

The Company has adopted this Materiality Policy for the identification of: (i) group companies; (ii) material creditors; and (ii) material litigations pursuant to the provisions of SEBI ICDR Regulations, details of which shall be disclosed in the Issue documents.

In this Materiality Policy, the term “**Issue Documents**” shall mean the draft red herring prospectus, the red herring prospectus and the prospectus including any addendum or corrigendum or abridged prospectus thereto 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 (“**SEBI**”), Registrar of Companies 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 Materiality Policy shall have the same meanings ascribed to such terms in the Issue Documents.

DEFINITIONS:

- a. **“Act”** means the Companies Act, 2013 and the rules framed thereunder, as amended from time to time.
- b. **“Company”** means Iberia Pharmaceuticals India Limited.
- c. **“Key Managerial Personnel”** means key managerial personnel as defined under sub-section (51) of section 2 of the Companies Act, 2013.
- d. **“Net Worth”** shall have the meaning assigned to it in Section 2(57) of the Act.
- e. **“Stock Exchange(s)”** means exchange(s) where the equity shares of the Company are listed.
- f. **“Turnover”** shall have the meaning assigned to it in Section 2(91) of the Act.

All other words and expressions used but not defined in this Policy, shall have the same meaning as assigned to it under the the Act, the SEBI Act, 1992 (“SEBI Act”) the Securities Contracts (Regulation) Act, 1956 (“SCRA”), the Industry Standard Note issued by Industry Standard Forum as referred in SEBI Circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/52 dated May 21, 2024 or any other circular, guidelines or clarification issued by the SEBI, Stock Exchanges, Industry Standard Forum or any other authority. 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.

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

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

Identification of Group Companies Requirement:

Requirements:

As per Regulation 2(1)(t) of the SEBI ICDR Regulations, Group Companies shall include:

“such companies (other than promoter(s) and subsidiary(ies)) with which there were related party transactions, during the period for which financial information is disclosed, as covered under the applicable accounting standards, and also other companies as considered material by the board of the issuer”.

Policy on Materiality:

For the purpose of disclosure in the Issue Documents, a company shall be considered material and disclosed as a Group Company if:

1. The companies with which there were related party transactions (in accordance with Ind AS 24), as disclosed in the restated consolidated financial statements (**“Restated Consolidated Financial Statements”**) as included in Issue Documents; and

2. Any other company may be identified as material by the Board.

Criteria for identifying Materiality for determining Group Company.

Our Company shall consider a Company as material to include it as our Group Company in the Issue Documents if:

- It is a member of the promoter group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations,
- and has entered into one or more transactions with our Company in the most recent completed financial year (i.e. Fiscal 2026) (covered in the Restated Consolidated Financial Information included in the Issue Documents) that cumulatively exceed 10% of the total restated consolidated revenues of the Company, as per the Restated Consolidated Financial Information of the Company for the most recent financial year.

Accordingly, based on the Restated Consolidated Financial Statements of the Company, following entity is identified as Group Company:

1. Iberia Skinbrands India Private Limited

Identification of Material Creditors

Requirements:

As per the requirements of SEBI ICDR Regulations, the Company shall make relevant disclosures in the Issue Documents for outstanding dues to creditors and micro, small and medium enterprises (“MSMEs”) as on latest financial year/ period disclosed in the Restated Consolidated Financial Statements of the Company as follows:

1. Based on the policy on materiality defined by the Board, details of the creditors, which include the number of creditors and the aggregate amount involved, will be disclosed in the Issue Documents.
2. Consolidated information on outstanding dues to micro, small and medium enterprises and other creditors, separately giving details of the number of cases and amount involved, will be disclosed in the Issue Documents; and
3. 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 Issue Documents.

Policy on Materiality:

For identification of material creditors, a creditor of the Company shall be considered to be material for the purpose of disclosure in the Issue Documents, if amounts due to such creditor is equal to or exceeds 5% of the Company’s outstanding trade payables as per the latest restated consolidated financial information/audited financial statements as material for disclosure in the Issue Documents.

Disclosure In the Issue Documents Regarding Material Creditors and MSMEs:

1. For creditors identified as ‘material’ based on the abovementioned criteria, information on outstanding dues to such material creditors shall be disclosed in the Issue Documents along

with the details of the material creditors, which include the consolidated number of creditors and amount outstanding on an aggregate basis, as on latest Restated Consolidated Financial Statements of the Company included in the Issue Documents.

2. For outstanding dues to 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 Issue Documents in the following manner:

- a) aggregate amounts due to such MSME creditors; and
- b) aggregate number of such MSME creditors,

as on the latest Restated Consolidated Financial Statements of the Company included in the Issue Documents.

3. Complete details about outstanding 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 Issue Documents.
4. The Company shall make relevant disclosures before the Audit Committee/Board of Directors as required by applicable law from time to time.

Identification of Material Litigations:

Requirements:

As per the requirements of SEBI ICDR Regulations, the Company shall disclose the following pending litigation involving the Company, its Promoters, its Subsidiary and its Directors (collectively, “**Relevant Parties**”):

1. All outstanding criminal proceedings (including first information reports (“FIRs”) whether or not cognizance has been taken by any court or judicial authority);
2. All outstanding actions (including all penalties and show cause notices) by regulatory authorities and statutory authorities against the Relevant Parties (including any judicial, quasi-judicial, administrative or enforcement authorities);
3. Disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters in the last five financial years including outstanding action;
4. Outstanding 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 or arbitration proceedings where the value or expected impact in terms of the value, exceeds the lower of the following:
 - a) 2 percent of turnover, as per the last Restated Consolidated Financial Statements of the Company; or
 - b) 2 percent of net worth, as per the last three Restated Consolidated Financial Statements of the Company, except in case the arithmetic value of the net worth is negative; or

- c) 5 percent of the average of absolute value of profit or loss after tax, as per the Restated Consolidated Financial Statements of the Company.

Further, as per the requirements of SEBI ICDR Regulations, the Company shall also disclose all criminal proceedings involving key managerial personnel and senior management of the Company and also the actions by regulatory authorities and statutory authorities against such key managerial personnel and senior management.

Additionally, as per the requirements of SEBI ICDR Regulations, the Company shall also disclose such outstanding litigation involving the Group Companies which has a material impact (as determined by the Board) on the Company.

Policy on Materiality:

For identification of material litigations, the following criteria shall be applied for determining materiality in relation to disclosures pertaining to litigations of the Company required to be made in the Issue documents issued in connection with the initial public offering of the equity shares:

1. All criminal proceedings involving our Company, Promoters, Directors, Subsidiary, Key Managerial Personnel and Senior Management and, in respect of our Group Companies, all criminal proceedings where the outcome of such proceedings may have an impact on the Company;
2. All actions taken by statutory and regulatory authorities against our Company, Promoters, Directors, Group Companies, Subsidiary, Key Managerial Personnel and Senior Management;
3. All tax proceedings - claims related to direct and indirect taxes in an aggregate manner against our Company, Promoters, Directors, Subsidiary, Key Managerial Personnel, Senior Management and in respect of our Group Companies, where the outcome of such claim may have an impact on the Company;
4. Any disciplinary action including any penalty imposed by SEBI or stock exchanges against the Promoters in the last five financial years including the outstanding action(s);
5. Any civil litigation or arbitration proceeding against our Company, Promoters, Directors, Subsidiary, Key Managerial Personnel, Senior Management and in respect of our Group Companies, where the outcome of such proceedings may have an impact on the Company, where the value or the expected impact in terms of value, exceeds the lower of the following (**‘Materiality Threshold’**):
 - i. 2% (two percent) of turnover, as per the latest annual restated consolidated financial/audited financial statements of the Company (as may be applicable); or
 - ii. 2% (two percent) of net worth, as per the latest annual restated consolidated financial information/audited financial statements of the Company (as may be applicable), except in case the arithmetic value of the net worth is negative; or
 - iii. 5% (five percent) of the average of absolute value of profit or loss after tax, as per the last three annual restated consolidated financial information/audited financial statements (as may be applicable) of the Company.
6. Any civil litigation or arbitration proceeding against our Company, Promoters, Directors, Subsidiary, Key Managerial Personnel, Senior Management and in respect of our Group

Companies, where the outcome of such proceedings may have an impact on the Company, wherein the monetary liability is not quantifiable, or the Materiality Threshold is not met, but:

- i. the outcome of such litigation or arbitration proceeding could have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of our Company; and
- ii. where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in an individual litigation may not exceed the Materiality Threshold.

GENERAL

This Materiality Policy 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 Issue 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 Issue Documents, or disclosures that may arise from any investor or other complaints. In this regard, it is clarified that this Materiality Policy is solely from the perspective of disclosure requirements prescribed under the SEBI ICDR Regulations with respect to the Issue Documents and should not be applied towards any other purpose.

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.

Conflict in Policy:

In the event of any conflict between the Companies Act/ SEBI regulations/ any other statutory enactments (“Regulations”) and the provisions of this Policy, the Regulations shall prevail over this Policy.

Amendments:

Any subsequent amendment/modification in the Companies Act, SEBI Listing Regulations and/or other applicable laws in this regard shall automatically apply to this Policy.

Review of the Policy:

This policy can be updated, changed, or added to periodically. This ensures it stays compliant with any modifications to applicable laws and regulations, or as otherwise directed by the Authorized Persons, with the Board of Directors' approval.

Version	Created by	Approved by	Effective Date	Reason for Amendment
1	CS with Finance & Accounts	Board of Directors	21.01.2026	N.A.
