

## AGRICON NUTRITECH LIMITED

CIN: U20120GJ2024PLC152600

508, ANANTA STALLION, NR., SEARS TOWER, SEVASI, VADODARA,  
GUJARAT-391101, INDIA

**Email:** [agrimon1@yahoo.com](mailto:agrimon1@yahoo.com), [compliance@agrimonnutritech.com](mailto:compliance@agrimonnutritech.com)

**Contact No.:** 0265 2341972

This materiality policy ("Policy") has been formulated to define the materiality thresholds in respect of the proposed initial public offering of the equity shares of AGRICON NUTRITECH LIMITED (the "Company"), pursuant to the disclosure requirements under Schedule VI of 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:

- A. Identification of material companies to be disclosed as group companies of the Company;
- B. Identification of 'material' outstanding litigation (in addition to all criminal proceedings and actions by statutory/ regulatory authorities) involving the Company, its promoter, subsidiaries and directors, as applicable (collectively, the "Relevant Parties"); and
- C. Identification of 'material' creditors of the Company

### APPLICABILITY

The board of directors of the Company ("Board") at their meeting held on 20, August 2024 discussed and approved this Policy. This Policy shall be effective from the date of its approval by the Board.

"Offer Documents" means the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus (each along with any addenda or corrigenda, 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, the Registrar of Companies, Gujarat and the stock exchange where the equity shares of the Company are proposed to be listed, as applicable.

All other capitalised terms not specifically defined in this Policy shall have the same meanings ascribed to such terms in the Offer Documents.

#### A. Identification of material companies to be disclosed as group companies of the Company Requirement:

As per the requirements of the SEBI ICDR Regulations, group companies include (i) such companies (other than the subsidiaries, if any, and the promoters) with which there were related party transactions, during the period for which financial information is disclosed in the Offer Document(s), as covered under the applicable accounting standards; and (ii) other companies as considered 'material' by the Board.

#### Policy on materiality:

For the purpose of point A.(i) above, all such companies (other than subsidiaries of the Company) with which there were related party transactions, during the period for which Restated Financial Information is disclosed in the Offer Documents, as covered under applicable accounting standards, shall be considered as group companies of the Company.

It is further clarified that, for the purposes of A. (i) above, a company which was a subsidiary for any of the relevant periods included in the Restated Financial Information but has ceased to be a subsidiary of the Company post any of the relevant periods included in the Restated Financial Information, shall



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be considered as a group company of the Company if there were related party transactions with such company during the period for which Restated Financial Information is disclosed in the Offer Documents, as covered under applicable accounting standards.

In addition to the above, for the purposes of A. (ii) above, all such companies (other than the subsidiaries of the Company and companies categorized under A. (i) above) shall be considered material and will be disclosed as a 'Group Company' in the Offer Documents, (a) if such companies are a part of the Promoter Group, and with which the Company has entered into one or more transactions in the most recent financial year, including the stub period, as applicable, as disclosed in the Restated Financial Information included in the Offer Documents, exceeds individually or in the aggregate, 5% of the total restated revenue of our Company for the most recent financial year for which Restated Financial Information are included in the Offer Documents; or (b) any other companies considered material by the Board of Director of the Company.

### B. Identification of 'material' litigation

Requirement: As per the requirements of the SEBI ICDR Regulations, the Company must disclose the following outstanding litigation involving the Relevant Parties:

1. all criminal proceedings (including matters at FIR stage where no/some cognizance has been taken by any court);
2. all outstanding actions by regulatory authorities and statutory authorities;
3. claims related to direct and indirect taxes, in a consolidated manner, giving the number of cases and total amount, however in the event any tax matters involve an amount, exceeding the threshold proposed below in relation to each Relevant Party, individual disclosures of such tax matters will be included; and
4. Other material outstanding litigation - As per the materiality policy defined by the Board and disclosed in the Offer Documents.

Additionally, in terms of the requirements of the SEBI ICDR Regulations, the Company is required to disclose any disciplinary action including penalty imposed by SEBI or stock exchanges against its promoter in the last five financial years preceding the relevant Offer Document including outstanding action.

Further, 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 on the Company.

Pre-litigation notices received by any of the Relevant Parties from third parties (excluding those notices issued by statutory / regulatory / governmental / tax / judicial authorities or notices threatening criminal action) shall, unless otherwise decided by the Board, not be considered as litigation and accordingly not be disclosed in the Offer Documents until such time that Relevant Parties, as applicable, are impleaded as defendants in litigation proceedings before any judicial or arbitral forum.



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### Policy on materiality

#### I. Material Litigations involving the Company, its subsidiaries, directors and promoter

Other than litigations mentioned in points (1) to (4) above, any other pending litigation or arbitration proceedings involving the Relevant Parties would be considered 'material' for the purpose of disclosure in the Offer Documents, if:

- i. the monetary amount of claim, to the extent quantifiable, involved in any such outstanding litigation is equivalent to or in excess of 3% of the restated profit after taxes for the most recent completed financial year, as per the Restated Financial Information included in the Offer Documents; or
- ii. any outstanding litigation, where the monetary impact is not quantifiable or lower than the threshold specified in (a) above, but an adverse outcome of which would materially and adversely affect the Company's business, prospects, operations, performance, financial position or reputation; or
- iii. all outstanding litigation, with a common cause of action and the aggregate of each of the claim amounts involved in outstanding litigation arising out of such common cause of action, exceed the amount as specified in (a) above.

#### C. Identification of material creditors

##### Requirement:

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

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;

consolidated information on outstanding dues to micro, small and medium enterprises ("MSME") and other creditors, separately giving details of number of cases and aggregate amount involved will be disclosed in the Offer Documents; and

complete details about outstanding over-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.

For outstanding dues to MSME and other creditors, the disclosure will be based on information available with the Company regarding the status of the creditors as MSME as defined under Section 2 read with Section 7 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.



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### Policy on materiality:

For identification of a material creditor, a creditor of the Company shall be considered to be material for the purpose of disclosure in the Offer Documents and the website of the Company, if amounts due to such creditor is equivalent to or in excess of 5% of the total trade payables of the Company as at the end of the most recent financial period covered in the Restated Financial Information included in the Offer Documents.

### GENERAL

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

The Policy shall be without prejudice to any disclosure requirements, which may be prescribed under the Companies Act, 2013 and the rules thereunder or by SEBI and/ or such 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 additional disclosures that may arise on account of any investor or other complaints.

This Policy shall be subject to review/changes as may be deemed necessary and in accordance with regulatory amendments from time to time.



*Jhela*