



## ANUPAM RASAYAN INDIA LTD.

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### MATERIALITY POLICIES

#### INTRODUCTION

This Policy has been formulated to define the respective materiality policies in respect of Anupam Rasayan India 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;
- B. Identification of ‘material’ litigation (excluding disciplinary actions against the promoters, criminal proceedings, statutory/regulatory actions and taxation matters); and
- C. Identification of ‘material’ outstanding dues to creditors.

#### APPLICABILITY

The board of directors of the Company at their meeting held on December 20, 2020 discussed and approved this Policy. This Policy shall be effective from the date of approval of policy by the board.

“**Issue Documents**” means 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, Ahmedabad and/or stock exchanges 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 Issue Documents.

#### **A. Identification of material companies to be disclosed as group companies**

##### *Requirement:*

As per the requirements of the SEBI ICDR Regulations, group companies include such companies (other than the subsidiaries, if any, and the promoter) with which there were related party transactions, during the period for which financial information is disclosed in the Issue Document(s), as covered under Ind AS 24, and also other companies as considered material by the board of the issuer.

The policy on identification of material companies to be disclosed as group companies (other than those covered under Ind AS 24), as below, shall be disclosed in the Issue Documents.

##### *Policy on materiality:*

For the purpose of disclosure in the Issue Documents, a company shall be considered material and will be disclosed as a ‘Group Company’ in the Issue Documents if it is a member of the Promoter Group (other than the corporate Promoter) and has entered into one or more transactions with the Company during the period for which financial information is disclosed in the Issue Document(s) and individually or in the aggregate, exceed 10% of the total consolidated revenue of the Company for such period.

#### **B. Identification of ‘material’ litigation (excluding disciplinary actions against the promoters, criminal proceedings, statutory/regulatory actions and taxation matters)**

##### *Requirement:*

As per the requirements of SEBI ICDR Regulations, the Company shall disclose the following outstanding litigation involving the Company, its directors, promoters or subsidiaries (collectively “**Relevant Parties**”):

- (i) All criminal proceedings;
- (ii) All actions by regulatory authorities and statutory authorities;
- (iii) Disciplinary action including penalty imposed by SEBI or stock exchanges against the promoters in the last five financial years including outstanding action;
- (iv) Claims related to direct and indirect taxes, in a consolidated manner, giving the number of cases and total amount; and
- (v) Other pending litigations - As per policy of materiality defined by the board of directors of the Company and disclosed in the Issue Documents.

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.

*Policy on materiality:*

Other than litigations mentioned in points (i) to (iv) above, any other pending litigation involving the Relevant Parties would be considered 'material' for the purpose of disclosure in the Issue Documents, if:

- (i) the monetary amount of claim by or against the Relevant Parties in any such pending proceeding is in excess of 1% of the total revenue of the Company, as per the last full year restated financial statements included in the Issue Documents; or
- (ii) an outcome in any such litigation would materially and adversely affect the Company's business, prospects, operations, financial position or reputation, irrespective of the amount involved in such litigation.

**C. Identification of 'Material' Outstanding dues to Creditors**

*Requirement:*

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

- (i) Based on the policy on materiality defined by the board of directors of the Company, details of the creditors which include the consolidated number of creditors and the aggregate amount involved, will be disclosed in the Issue 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 Issue 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 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 exceeds 5% of the total consolidated trade payables as at the end of the latest period included in the restated financial statements included in the Issue Documents.

**GENERAL**

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

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