

MOTHER AGRI FOOD LIMITED

CIN: U46209GJ2023PLC144912

Address: Old Upleta Road, Nr. Bhola Patiya, Dhoraji, Rajkot, Gujarat - 360410

Email Id: cs@motheragrifood.com Contact No.: 9428282767

MATERIALITY POLICIES

This materiality policy ("**the Policy**") has been formulated for the identification of group companies, outstanding litigation and outstanding dues to creditors in respect of Mother Agri Food Limited ("**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 ("**SEBI ICDR Regulations**"), which requires the policy of materiality to be disclosed in the offer document.

This Policy shall be effective from the date of approval of the Policy by the board of directors of the Company ("**Board**").

In this Policy, the term "**Offer Document**" shall mean the Draft Prospectus and the prospectus to be filed and/or submitted by the Company in connection with the proposed initial public offering of its equity shares with the Registrar of Companies, Gujarat (Ahmedabad) and/or 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.

Identification of 'Material' Group Companies:

Requirement:

As per the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("**SEBI ICDR Regulations**"), "Group companies", wherever this term occurs, shall include such companies as covered under the applicable accounting standards (i.e. Accounting Standard 18 issued by the Institute of Chartered Accountants of India) and also any other companies as considered material by the Board. The Policy on materiality for determination of such companies as considered material by the Board, as below, shall be disclosed in the Draft Prospectus and the Prospectus issued by the Company in accordance with the provisions of the SEBI ICDR Regulations for the initial public offering of its equity shares (the "**Offer Document**").

Policy on materiality:

For the purpose of disclosure in the Offer Document, a company shall be considered material and will be disclosed as a "Group Company" in the Offer Document, if such entity belongs to the Promoter Group within the meaning of SEBI ICDR Regulations and the aggregate value of transaction(s) by the Company with such entity exceeds **10 %** of the total stand alone or consolidated revenue of the Company, whichever is lower, for the last three financial years and any stub period in respect of which such financial statements are included in the Offer Documents (such period, collectively referred to as the "**Relevant Period**").

For the avoidance of doubt, it is clarified that the above policy on materiality shall be without prejudice to any disclosure requirements, which may be prescribed by SEBI and / or such other

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applicable authority with respect to listed companies and that the above policy on materiality is solely from the perspective of disclosure requirements prescribed under the SEBI ICDR Regulations with respect to the Offer Documents and should not be applied towards any other purpose.

Policy on identification of 'Material' Litigation:

Requirement:

As per the requirements of SEBI ICDR Regulations, the Company shall disclose all the litigations involving the Company/ its directors/ promoters/ group companies/ subsidiaries/joint ventures in relation to:

- (i) All criminal proceedings;
- (ii) All actions by statutory / regulatory authorities;
- (iii) Taxation - Separate disclosures regarding claims related to direct and indirect taxes, in a consolidated manner giving details of number of cases and total amount;
- (iv) Other pending litigations - As per policy of materiality defined by the board of the issuer and disclosed in the Offer Documents.

Policy on materiality:

Other than litigations mentioned in points (i) to (iii) above, any other pending litigation involving the Company, its directors, promoters, group company's subsidiaries and joint ventures shall be considered "material" for the purpose of disclosure in the Offer Documents if –

- a. the potential financial liability/monetary claim by or against the Company, its directors, promoters, group companies, subsidiaries and joint ventures in any such pending matter(s) is **10%** of the net profit after tax or **10%** of net worth of the Company, whichever is higher, based on restated standalone summary statements of the Company;
- a. any such litigation wherein the monetary liability is not quantifiable which is or is expected to be material from the perspective of the Company's business, operations, prospects or reputation.

It is clarified that the above policy on materiality shall be without prejudice to any disclosure requirements, which may be prescribed by SEBI and / or such other governmental authority with respect to listed companies and that the above policy on materiality is solely from the perspective of disclosure requirements prescribed under the SEBI ICDR Regulations with respect to the Offering Documents and should not be applied towards any other purpose.

Furthermore, the above policy on materiality shall be without prejudice to the disclosure requirements prescribed under the Companies Act, 2013 and the rules thereunder with respect to disclosure of litigation, notices, disputes and other proceedings in the Offer Documents.

Identification of 'Material' Creditors:-

Requirement: As per the requirements of SEBI ICDR Regulations, the Company shall make relevant disclosures in the Offer Documents for outstanding dues to creditors:

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- (i) Based on the Policy on materiality of the Board and as disclosed in the Offer Documents, disclosure for such creditors;
- (ii) Consolidated information on outstanding dues to small scale undertakings and other creditors, separately giving details of number of cases and amount involved;
- (iii) Complete details about outstanding dues to creditors as per (i) and (ii) above shall be disclosed on the webpage of the company with a web link thereto in the Offer Documents.

Policy on materiality:

For identification of material creditors, such creditors of the Company, shall be considered to be material for the purpose of disclosure in the Offer Documents, if amount dues to any one of them exceeds **10%** of the outstanding trade payables as per the latest restated standalone financial statements of the Company.

Disclosures in Offer Documents regarding material creditors and SMEs

- (i) For creditors identified as material based on the abovementioned Policy, following disclosure would be made in the Offer Documents:
 - a. consolidated amount due to such material creditors; and
 - b. aggregate number of such creditors.
- (ii) For outstanding dues to any party which is a small scale undertaking (“SSI”) or a Micro Small and Medium Enterprises (“MSME”), the disclosure will be based on information available with the Company regarding status of the suppliers as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, Consolidated information for such identified SSI/MSMEs and creditors shall be provided in the Offer Documents in the following manner:
 - a. consolidated amounts due to such entities; and
 - b. aggregate number of entities.

The Company shall make relevant disclosures before the Audit Committee/ Board as required by the applicable law from time to time.

It is clarified that the above policy on materiality of creditors shall be without prejudice to any disclosure requirements, which may be prescribed by SEBI and / or such other applicable authority with respect to listed companies and the above policy on materiality is solely from the perspective of disclosure requirements prescribed under the SEBI ICDR Regulations with respect to the Offering Documents and the website of the Company and should not be applied towards any other purpose.

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General:

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

For and on behalf of
MOTHER AGRI FOOD LIMITED

ATUL NATHABHAI THESIYA

MANAGING DIRECTOR

DIN: 10204246

Date:02.01.2024

Place: Rajkot