

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

OF

ASHOKA CATTLE AND POULTRY FEEDS LIMITED

INTRODUCTION

This policy (“**Policy**”) has been formulated to set out the thresholds of materiality of Ashoka Cattle and Poultry Feeds Limited (“**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) (“**SEBI ICDR Regulations**”), in respect of the following:

- A. Identification of 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’ creditors.

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 August 01, 2025, discussed and approved this Materiality Policy. This Materiality Policy shall be effective from the date of approval of the Materiality Policy by the Board.

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

In this Materiality Policy, the term “**Offer Documents**” shall mean the Draft Prospectus, the Prospectus and other issue materials 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, jurisdictional Registrar of Companies and Stock Exchange(s) where the equity shares of the Company are proposed to be listed, as applicable.

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

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.

DEFINITIONS

“**Board**” shall mean the board of directors of the Company.

“**Issuer**” or “**Company**” shall mean Ashoka Cattle and Poultry Feeds Limited.

“**SEBI ICDR Regulations**” shall mean the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

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:

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 Offer Documents, a company shall be considered and disclosed as a Group Company if the companies with which there were related party transactions (in accordance with AS 18), as disclosed in the Restated Financial Statements (“**Restated Financial Statements**”) as included in 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:

- i. Based on the policy on materiality defined by the board of directors of the issuer, details of creditors which include the consolidated number of creditors and the aggregate amount involved, will be disclosed in the Offer 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 Offer 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 ashokafeeds.com.

Policy on materiality

For identification of material creditors (except banks and financial institutions from whom the Company has availed financing facilities), 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 amounts due to such creditor **exceeds 5% of the total trade payables** of the Company as on the date of the latest Restated Financial Statements, as disclosed in the Offer Documents.

Disclosure in the Offer Documents regarding material creditors and MSMEs

- a. For creditors identified as ‘material’ based on the abovementioned Policy, information on outstanding dues to such material creditors shall be disclosed in the Offer Documents along with the details of the material creditors, which include the consolidated number of creditors and amount involved on an aggregate basis, based on the latest Restated Financial Statements of the Company included in the Offer Documents.

b. For outstanding dues to micro, small and medium enterprises (“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 Offer Documents in the following manner:

- I. aggregate amounts due to such MSME creditors; and
- II. aggregate number of such MSME creditors

based on the latest Restated Financial Statements of the Company included in the Offer Documents.

c. Complete details about outstanding over 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 Offer Documents.

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 (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 pending litigation involving the Company, its Promoters and its Directors (collectively, “**Relevant Parties**”):

- 1) All criminal proceedings;
- 2) All actions by regulatory authorities and statutory 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) Claims related to direct and indirect taxes, in a consolidated manner, giving the number of cases and total amount; and
- 5) other pending litigations based on lower of threshold criteria mentioned below—
 - (i) As per the policy of materiality (“Materiality Policy”) defined by our board of directors and disclosed in this DRHP; or
 - (ii) Litigation where the value or expected impact in terms of value, exceeds the lower of the following:
 - a. 2% of turnover, as per the latest annual restated consolidated financial statements; or
 - b. 2% of net worth, as per the latest annual restated consolidated financial statements, except in case the arithmetic value of the net worth is negative; or
 - c. 5% of the average of absolute value of profit or loss after tax, as per the last three annual restated consolidated financial statements.

Also, all criminal proceedings involving key managerial personnel and senior management of the issuer and also the actions by regulatory authorities and statutory authorities against such key managerial personnel and senior management of the issuer shall also be disclosed.

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 (as determined by the Board) on the Company.

Policy on materiality

For the purpose of point no. (5) above, any other pending litigation or arbitration involving the Company, its Directors and its Promoters (“**Relevant Parties**”) shall be considered “**material**” for the purpose of disclosure in the Offer Documents if outstanding civil litigations involving the Relevant Parties where the claim / dispute amount exceeds the lower of the following:

- (i) 2% of turnover, as per the latest annual restated consolidated financial statements; or
- (ii) 2% of net worth, as per the latest annual restated consolidated financial statements, except in case the arithmetic value of the net worth is negative; or
- (iii) 5% of the average of absolute value of profit or loss after tax, as per the last three annual restated consolidated financial statements.

Further, pre-litigation notices received by our Company, Promoters and Directors (excluding those notices issued by statutory, regulatory or tax authorities), unless otherwise decided by our Board, are not evaluated for materiality until such time that such parties are impleaded as defendants in litigation proceedings before any judicial forum.

The above policy on materiality 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 offer documents or by SEBI and/or such other applicable authority with respect to listed companies or disclosure requirements as may be prescribed by Stock Exchange(s) through its observations on the offer documents, or disclosures that may arise from any investor or other complaints. In this regard, it is clarified 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.

AMENDMENT

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.