



ABRAM FOOD LIMITED

Reg. Office : 605, Pearl Business Park, Near Fun Cinema, Netaji Subhash Place, New Delhi -110034

Factory Add : B-34, MIA, Alwar, Rajasthan - 301030

CIN No. U15122DL2009PLC187783

Tel No. 9717133544 E Mail Id:- info@abramfood.in Website – www.abramfood.in

MATERIALITY POLICY OF ABRAM FOOD LIMITED

This policy (“**Policy**”) has been formulated to define the materiality criteria for identification of material litigation, material group companies and outstanding dues to material creditors in respect of the Issuer for the purposes of relevant disclosures in the Offer Document (DP/ Prospectus) pursuant to the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (as amended from time to time) (“**SEBI ICDR Regulations**”).

Identification of ‘Material’ Litigation (excluding criminal proceedings, statutory/regulatory actions and taxation matters):

Requirement:

As per the requirements of SEBI ICDR Regulations, the Issuer shall disclose all the litigations involving the Issuer:

- (i) All criminal proceedings;
- (ii) All actions by statutory / regulatory authorities;
- (iii) Disciplinary action including penalty imposed by SEBI or stock exchanges against the promoters during the previous five financial years including outstanding action;
- (iv) Claims related to direct and indirect taxes, in a manner, giving the number of cases and total amount;
- (v) Other pending litigation - As per the policy of materiality defined by the Board / Issue Committee of the Issuer and disclosed in the DP/ Prospectus.

Policy on materiality:

Other than litigations mentioned in points (i) to (iv) above, any other pending litigation involving the Issuer shall be considered “material” for the purpose of disclosure in the Offer Document if:

- a. the aggregate amount involved in such individual litigation exceeds **5%** of profit after tax of the Company, as per the last restated audited financial statements; or
- b. where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in such single litigation individually may not exceed **5%** of profit after tax of the Company as per the last restated audited financial statements, if similar litigations put together collectively exceed **5%** profit after tax of the Company; or



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- c. litigations whose outcome could have a material impact on the business, operations, prospects or reputations of the Company and the Board or any of its committees shall have the power and authority to determine the suitable materiality thresholds for the subsequent financial years on the aforesaid basis or any other basis as may be determined by the Board or any of its committees.

Identification of 'Material' Creditors:

Requirement:

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

- i. Information on outstanding dues to micro, small and medium enterprises and other creditors, separately giving details of number of cases and amount involved;
- ii. Based on the policy on materiality defined by the board of directors of the issuer, complete details about outstanding overdues to material creditors along with the name and amount involved for each such material creditor. This list shall also be disclosed, on the website of the company with a web link thereto.

Policy on materiality for Creditors:

For identification of material creditors, such creditors of the Issuer, shall be considered to be material for the purpose of disclosure in the Offer Document and on the website of the Issuer, if the dues owed by the Company to all micro, small or medium enterprises and other creditors exceeding 10% of the trade payables for the last audited restated financial statements shall be considered as material dues for the Company.

Further, the details of outstanding dues to micro, small and medium enterprises and other creditors, separately giving details of number of cases and amount involved shall be disclosed in the Offer Documents.

Information for such identified SSU/MSMEs and creditors shall be provided in the Offer Document in the following manner:

- a. Amounts due to such entities; and
- b. aggregate number of entities.



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Identification of Material Group Company:

Requirement:

As per the requirements of SEBI ICDR Regulations, the Issuer shall define materiality policy, for identification of “Group Companies” for disclosure of “Group Companies” in its draft prospectus/prospectus.

Policy on Materiality for Group Company (excluding Subsidiary Company):

For the identification of materiality for Group Companies, such Group Companies of the Issuer, shall be considered to be material for the purpose of disclosure in the Offer Document, if:

- (i) Companies with which there were related party transactions, during the period for which financial information is disclosed in Draft Prospectus/ Prospectus, as covered under the applicable accounting standards, and
- (ii) Such company which forms part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI Regulations; and Companies which entered into one or more transactions with such company in preceding fiscal or audit period as the case may be exceeding 10% of total revenue of the company.

General:

The above policy shall be subject to review/changes by the Issuer as may be deemed necessary and in accordance with regulatory amendments, from time to time and the Issuer shall make relevant disclosures as required by the applicable law from time to time.