



SIMRAN AGROVET LIMITED

CIN: U15400MP2017PLC043674

POLICY ON IDENTIFICATION OF MATERIAL LITIGATIONS

1. INTRODUCTION

This policy (“**Policy**”) has been formulated to define the respective materiality policies for identification of ‘material’ litigations (excluding disciplinary actions against the promoters, criminal proceedings, statutory/regulatory actions and taxation matters) in respect of **SIMRAN AGROVET 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, as amended from time to time (“**SEBI ICDR Regulations**”) involving the Company, its Directors, its Promoters, its Key Managerial Personnels, Senior Managerial Personnels, its subsidiaries (if any), and its Group Entities (collectively, “**Relevant Parties**”)

2. APPLICABILITY AND OBJECTIVE:

This policy shall be called the ‘**Policy on Identification of Material Litigations**’ (“**Policy**”). This Policy shall be effective from the date of approval of this Policy by the Board.

The Company has adopted this Policy for identification and determination of Material Litigations pursuant to the provisions of SEBI ICDR Regulations, details of which shall be disclosed in the Offer Documents.

“**Offer 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, Gwalior, Madhya Pradesh (“**RoC**”) and stock exchanges where the equity shares of the Company are proposed to be listed, as applicable.

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

3. INTERPRETATION

In this Policy, unless the context otherwise requires:

- (i) words denoting the singular shall include the plural and vice versa.
- (ii) references to the words “include” or “including” shall be construed without limitation.

4. POLICY PERTAINING TO THE IDENTIFICATION OF MATERIAL LITIGATIONS

The Policy with respect to the identification of material litigations shall be as follows:

Identification of Material Litigations:

Requirement:

As per the requirements of SEBI ICDR Regulations, the Company shall disclose the following pending litigation involving the Company, its Directors, its Promoters, its Key Managerial Personnels, Senior Managerial Personnels, its subsidiaries (if any), and Group Entities (collectively, “**Relevant Parties**”):

- (i) All criminal proceedings (including matters which are at FIR stage whether cognizance has been taken or not by any court or judicial authority) including all criminal proceedings involving Key Managerial Personnel and Senior Management of the Company;
- (ii) All actions by statutory and/or regulatory authorities (including all penalties and notices) including all actions by statutory and/or regulatory authorities against the Key Managerial Personnel and Senior Management of the Company;
- (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 based on the Threshold.

Policy on Materiality:

For the purposes of determining litigations as mentioned in point (v) above, any pending litigation involving the Relevant Parties shall be considered material for the purpose of disclosure in the Offer Documents, if:

- a) litigation where the aggregate value or expected impact in terms of value involved in such individual proceeding exceeds Rs. 5.00 Lakhs (Rupees Five Lakhs Only) (“**Threshold**”); or
- b) the outcome of such proceeding could have a material adverse effect on the business, operations, performance, results of operations, prospects, financial position or reputation of the Company, irrespective of whether the amount involved in such proceeding exceeds the Threshold or not or whether the monetary impact is not quantifiable in such proceeding; or
- c) pending litigations where the decision in one litigation is likely to affect the decision in similar litigations which could either individually or collectively have a material adverse effect on the business, performance, prospects, operations, financial position or reputation of the Company, shall be disclosed in the Offer Documents, even though the amount involved in an individual litigation may not exceed the Threshold.

Further, as regards outstanding litigations involving the Group Entities, only such outstanding litigations shall be disclosed that may have a material impact on the Company.

Pre-litigation notices received by the Relevant Parties from third parties (excluding governmental, statutory or regulatory authorities or notices threatening criminal action) shall, in any event, not be considered as litigation until such time that Relevant Parties are impleaded as defendants in proceedings initiated before any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

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 SEBI 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.

Group Entities:

In relation to legal proceedings involving the Group Entities, a certificate will be obtained in relation to any pending litigation involving the Group Entities, the outcome of which could have a material impact on the Company or the Issue. Further, the board of the Company would pass a resolution taking on record such certificate provided by the Group Entities.

5. AMENDMENT

The Board (including its duly constituted committees wherever permissible), shall have the power to amend any of the provisions of this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy. This Policy shall be subject to review/changes as may be deemed necessary and in accordance with regulatory amendments from time to time.

6. DISCLOSURES

The Company shall disclose this Policy in its Annual Reports & Website.

7. EFFECTIVE DATE

The Policy shall become effective from the date of its adoption by the Board of Directors of the Company.