	MATERIALITY POLICY FOR DISCLOSURE IN OFFER DOCUMENTS	
Dept : Secretarial	Revision Date	24-07-2024
Approved By: Board	Revision No.	MTL/001

INTRODUCTION

This document outlines the policy in connection with the identification of: (a) ‘material’ companies to be disclosed as group companies of the Company; (b) ‘material’ outstanding litigation (in addition to all criminal proceedings and actions by statutory/ regulatory authorities) involving Manjushree Technopack Limited (“**Company**”), its promoter and directors (collectively, the “**Relevant Parties**”); and (c) ‘material’ creditors of the Company (“**Policy**”) 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 (the “**SEBI ICDR Regulations**”).

APPLICABILITY

The board of directors of the Company (the “**Board**”) at their meeting held on 24th July 2024 discussed and approved this Policy. This Policy shall be effective from the date of such approval by the Board.

In this Policy, the term “**Offer Documents**” means the draft red herring prospectus, the red herring prospectus and the prospectus (together with any addenda or corrigenda thereto), as applicable, to be filed by the Company in connection with the Offer with the Securities and Exchange Board of India (“**SEBI**”), the Registrar of Companies, Karnataka at Bengaluru and/or the stock exchanges where the equity shares of the Company are proposed to be listed, as applicable.

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

A. Identification of material companies to be disclosed as group companies of the Company

Requirement


As per the requirements of the SEBI ICDR Regulations, group companies of an issuer company include such companies (other than the promoter(s) and subsidiary(ies) of such issuer company) (i) with which there were related party transactions, during the period for which financial information is disclosed in the Offer Documents, as covered under the applicable accounting standards; and (ii) other companies as considered ‘material’ by the board of directors of such issuer company.

Policy on materiality

For the purpose of disclosure in the Offer Documents, the following companies shall be considered as ‘Group Companies’ of the Company:

- (i) Such companies (other than Promoter) with which the Company had related party transactions, as disclosed in the restated financial statements (“**RFS**”) for the last three years i.e., Fiscals 2024, 2023 and 2022, as included in the Offer Documents, as covered under the applicable accounting standards; and
- (ii) Any other companies considered material by the Board.

In addition, for the purposes of point no. (ii) above, the Board has formulated this Policy to identify ‘*material group companies*’ which shall include such company (other than the Promoter and the companies covered under point no. (i) above) which is a member of the Promoter Group (other than Promoter) in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations, with which the Company has entered into one or more transactions during the last completed fiscal year and such transactions, individually or cumulatively, in value exceed 10% of the revenue from operations of the Company in the last completed fiscal year, as per the RFS.

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B. Identification of ‘material’ litigation (in addition to all criminal proceedings and actions by statutory/regulatory authorities)

Requirement

In accordance with the SEBI ICDR Regulations, the following outstanding litigation involving the issuer company, its promoter, and directors shall be disclosed in the Offer Documents:

- (i) all criminal proceedings (including FIRs);
- (ii) all actions by regulatory and statutory authorities (including any findings/observations of any of the inspections by SEBI or any other regulatory authority or penalties or show cause notices);
- (iii) disciplinary action including penalty imposed by SEBI or stock exchanges against the promoter 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 involved; and
- (v) Other material outstanding litigation (including civil and arbitration) - As per the materiality policy defined by the Board and disclosed in the Offer Documents.

Policy on materiality

In relation to point (v) above and for the purposes of determination of material outstanding litigation, other than the litigation mentioned in points (i), (ii) and (iii) above, any other outstanding litigation involving the Relevant Parties would be considered ‘material’ for the purpose of disclosure in the Offer Documents (“**Threshold**”), if the monetary amount of claim/ amount in dispute, to the extent quantifiable exceeds,


- (a) two percent of turnover, for the most recent financial year i.e., 2024, as per the restated financial statements; or
- (b) two percent of net worth, for the most recent financial year i.e., 2024, as per the restated financial statements; or
- (c) five percent of the average of absolute value of profit or loss after tax, for the last three financial years as per the restated financial statements, whichever is lower.

Accordingly, the lower of the above criteria, shall be the Threshold for the purposes of disclosure of other ‘material’ outstanding litigation involving the Relevant Parties in the Offer Documents.

In addition, as mentioned in (iv) above, all pending direct and indirect tax litigation involving the Relevant Parties shall also be disclosed in a consolidated manner, indicating the number of such cases and the total amount involved. In the event any tax matter involves an amount, exceeding the Threshold proposed herein below, in relation to each Relevant Parties, individual disclosures of such tax matters will be included.

Further, any outstanding civil litigation/ arbitration proceedings included in point (v) above, involving the Relevant Parties wherein the monetary liability is not quantifiable, or does not exceed the Threshold, shall be considered ‘material’ and shall be disclosed in the Offer Documents, if the outcome of such litigation could have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of the Company.

Additionally, all outstanding litigation involving the group companies of the Company (identified in accordance with the policy set out under section (A) of this Policy), that have a material impact on the Company.

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It is clarified that: (a) First information reports (FIRs) (whether cognizance has been taken or not) initiated against the Relevant Parties shall also be disclosed in the Offer Documents; and (b) Pre-litigation notices received by the Relevant Parties from third parties (excluding those notices issued by statutory/ regulatory/ governmental/ tax authorities) shall not be considered as litigation until such time that the Relevant Parties are impleaded as defendants/ parties in litigation/ arbitration proceedings before any judicial/ arbitral forum including any court, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

C. Identification of 'material' creditors

Requirement

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

- (i) based on the policy on materiality defined by the Board of Directors of the issuer company, details of the creditors which include the consolidated number of creditors and the aggregate amount involved;
- (ii) consolidated information on outstanding dues to micro, small and medium enterprises and other creditors, separately giving details of number of cases and aggregate amount involved; 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 issuer company with a web link thereto in the Offer Documents.

Policy on Materiality

For identification of material creditors, 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 the amounts due to such creditor by the Company is equal to or exceeds 5% of the trade payables of the Company as on the date of the most recent financial period for which the restated financial statements are being included in the Offer Documents.

GENERAL

It is clarified that this Policy is solely for the purpose of disclosure requirements in the Offer Documents prescribed under the SEBI ICDR Regulations and should not be applied towards any other purpose.

This Policy shall be without prejudice to any disclosure requirements which may be prescribed by SEBI and/ or any other regulatory, judicial, quasi-judicial, administrative or statutory 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.

This Policy shall be subject to review/ changes as may be deemed necessary and as required for compliance with regulatory amendments from time to time.