

INDONG TEA COMPANY LIMITED

MATERIALITY POLICY

Introduction

This document has been formulated to define the materiality policy for identification of (i) outstanding material litigation involving Indong Tea Company Limited (the “Company”), its Subsidiaries, Directors, and Promoters; (ii) the Group Companies and (iii) the material creditors of the Company (together, the “Policy”), in terms of the disclosure requirements under Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”).

This Policy shall be effective from the date of its approval by the Board of Directors.

In this Policy, the term “Offer Documents” shall mean the Draft Prospectus/ Prospectus to be filed with the Stock Exchange & Securities and Exchange Board of India (“SEBI”), the Draft Prospectus and the Prospectus.

I. Materiality policy for litigation

In terms of SEBI ICDR Regulations, the Company is required to disclose the following pending litigation involving itself, its Subsidiaries, its Directors and its Promoters (collectively “Relevant Parties”):

- i. All criminal proceedings;
- ii. All actions by statutory and / or regulatory authorities;
- iii. Claims related to direct and indirect taxes, in a consolidated manner giving details of number of cases and total amount; and
- iv. Other pending litigations/arbitration proceedings - As per the policy of materiality defined by the Board of Directors and disclosed in the Offer Documents.

Additionally, in terms of the SEBI ICDR Regulations, the Company is required to disclose:(a) any disciplinary action (including a penalty) imposed by SEBI or any of the stock exchanges against any of the Promoters in the five financial years preceding the relevant Offer Document, including any outstanding action; and (b) outstanding litigation involving the Group Companies, which may have a material impact on the Company, as applicable.

For the purposes of determining material litigations /arbitration proceedings as mentioned in point (iv) above, the following criteria shall apply:

For Company and Subsidiaries

Any pending litigation / arbitration proceedings (other than litigations mentioned in point (i) to (iii) above) involving the Relevant Parties shall be considered “material” for the purposes of disclosure in the Offer Documents, if:

The monetary claim made by or against the Company, its Subsidiaries, Directors, and/or Promoters (individually), in any such pending litigation/arbitration proceeding is equal to or in excess of 10% of the Company’s revenue, as per the latest Restated Financial Statements; or

II. Materiality policy for Group Companies

As per the SEBI (ICDR) Regulations, 2018, for the purpose of identification of Group Company, our Company has considered those companies as our Group Company with which there were related party transactions as per the Restated Financial Statements of our Company and other Companies as considered material by our Board.

Further a company shall be considered material and disclosed as a Group Company if the Company is member of the Promoter Group and our Company has entered into one or more transactions with such company in last restated financial statement exceeding 10% of total revenue of our company for the last Restated Financial Statements.

III. Materiality policy for identification of material creditors

In terms of SEBI ICDR Regulations, the Company shall make the following disclosures in the Offer Documents for outstanding dues to creditors:

- i. based on the policy on materiality adopted by the Board of Directors and as disclosed in the Offer Documents, details of the Company's creditors, including the number of creditors and the aggregate amount involved;
- ii. information on outstanding dues to micro, small and medium enterprises and other creditors, separately giving details of number of cases and amount involved; and
- iii. Web link of the relevant page on the Company's website, which contains complete details on outstanding overdues to material creditors along with the name and amount involved for each such material creditor.

For the purposes of 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 amounts due to such creditor is equal to or in excess of 10% of the total trade payables of the Company as per the latest Restated Financial Statements.

In terms of point (ii) above, for outstanding dues to any party which is a micro, small or a medium enterprise ("MSME"), the disclosure will be based on information available with the Company regarding status of the creditor as defined under Micro, Small and Medium Enterprises Development Act, 2006, if amounts due to such creditor is equal to or in excess of 5% of the total trade payables of the Company as per the latest Restated Financial Statements.

General

It is clarified that the Policy 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.

The Policy shall be without prejudice to any disclosure requirements, which may be prescribed by SEBI and/ or such other regulatory 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. The Policy shall be subject to review/changes as may be deemed necessary and in accordance with regulatory amendments from time to time.

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

Policy Sponsor	:	Managing Director
Approved by	:	The Board
Responsibility for document Management	:	Executive Director/ Company Secretary

Sd/-

(As approved by Board of Directors at the Meeting dated 8th February, 2022)