



SHIVCHEM AGRO LIMITED

(Formerly Known as Shivchem Agro Private Limited)

CIN: U24290DL2021PLC386444

Regd. Office: Unit No. 703, 704, Amba Tower, Plot No. 2, Community Centre, D.C. Chowk, Sector - 9, Sec-11, Rohini, North West Delhi, Delhi – 110085

Email: info@shivchemagro.com

Tel: 011-4600-8555 | Fax: 011-4802-8510

MATERIALITY POLICY

INTRODUCTION

This policy ("Policy") has been formulated to define the respective materiality policies of Shivchem Agro Limited (Formerly Known as Shivchem Agro Private 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:

- Identification of 'material' companies to be disclosed as Group Companies in the Issue Documents (*as defined hereinafter*)
- Identification of 'material' outstanding litigation (excluding criminal proceedings, actions taken by statutory/regulatory authorities, disciplinary actions against the promoters) involving the Relevant Parties (*defined below*); and
- Identification of 'material' creditors.

APPLICABILITY

The Board of Directors of the Company ("**Board**"), at its meeting held on September 25, 2025, discussed and approved this Policy, which became effective on the same date.

In this Policy, the term "**Issue Documents**" shall mean the Draft Red Herring Prospectus ("**DRHP**"), the Red Herring Prospectus ("**RHP**"), the Prospectus and any addendum or corrigendum thereto, to be filed and/or submitted by the Company, in connection with the proposed initial public offering of its equity shares with, the Stock Exchange(s) where the equity shares of the Company are proposed to be listed, Registrar of Companies and/or the Securities and Exchange Board of India ("**SEBI**"), as applicable.

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

A. Identification of 'material' companies to be disclosed as Group Companies

Requirement:

The SEBI ICDR Regulations define "group companies" as "such companies (other than promoter(s) and subsidiary/subsidiaries) 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".

Therefore, group companies shall include:

- companies with which there were related party transactions, during the period for which financial information will be disclosed in the Issue Documents, as covered under the relevant accounting standard; and
- any other companies as considered material by the Board.

Sachin Agarwal





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Policy on Materiality:

With respect to point (ii) above, for the purpose of disclosure in the Issue Documents, no company/entity will be considered as Material Group Companies other than those as mentioned in the list of related parties prepared in accordance with Accounting Standard 18 as disclosed in the Restated Financial Statements.

B. Identification of pending 'material' litigation (excluding 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, its Subsidiaries, and its Directors (collectively, "Relevant Parties"):

- (i) All criminal proceedings (including matters at FIR stage where no/some cognizance has been taken by the court or any judicial authority);
- (ii) All actions (including all penalties and show cause notices) by regulatory authorities and / or statutory authorities;
- (iii) Disciplinary actions including penalties imposed by SEBI or any of the stock exchanges against the Promoters in the last five financial years including outstanding actions;
- (iv) Claims related to direct and indirect taxes, in a consolidated manner, giving the number of cases and total amount; and
- (v) All other pending litigations or arbitration proceedings involving Relevant Parties - as per policy of materiality defined by the Board of Directors of the Company and disclosed in the Issue Documents.

Further, as per the requirements of SEBI ICDR Regulations, the Company shall also disclose such pending litigation involving the Group Companies which has a material impact on the Company.

Policy on Materiality:

Other than litigations mentioned in points (i), (ii), (iii) and (iv) above, for the purposes of determining outstanding material litigations as mentioned in point (v) above, any pending litigation or arbitration proceedings involving any of the Relevant Parties shall be considered 'material' for the purpose of disclosure in the Issue Documents, if:

- a) The aggregate monetary claim/ dispute amount/ liability involved in any such pending litigation/ arbitration proceeding is equivalent to or exceeds lower of the following:
 - two (2) percent of turnover, as per the latest annual restated financial statements of the Company; or
 - two (2) percent of net worth, as per the latest annual restated financial statements of the Company; or
 - five (5) percent of the average of absolute value of profit or loss after tax, as per the last three annual restated financial statements of the Company; or
 - litigation where the value or expected impact in terms of value on our Company is more than of Rs. 5,00,000/-

[Signature]

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- b) The monetary impact is not quantifiable or lower than the threshold mentioned in point (a) above, but the outcome in any such litigation would nonetheless, directly or indirectly materially and adversely affect the Company's business, prospects, operations, performance, financial position or reputation in the opinion of the Board; or

where the decision in one matter is likely to affect the decision in similar matters, such that the cumulative amount involved in such matters exceeds the threshold as specified in (a) above, even though the amount involved in an individual matter may not exceed the materiality threshold as specified in (a) above.

Further, any tax litigation which involves a claim amount greater than the materiality thresholds as defined in (a) above, will also be disclosed individually.

Pre-litigation notices received by the Relevant Parties from third parties (excluding statutory or governmental or regulatory authorities or tax or notices threatening criminal action) shall, unless otherwise decided by the Board, 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.

Any pending litigation involving the group companies, as identified in accordance with provisions of SEBI ICDR Regulations would be considered to have a "material impact" on the Company for the purpose of disclosure in the Issue Documents, if an adverse outcome from such pending litigation would materially affect the business, operations or financial position or reputation of the Company.

C. Identification of 'material' creditors

Requirement:

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

- based on the policy on materiality defined by the Board of Directors of the Company, details of the creditors which include the consolidated number of creditors and the aggregate amount involved;
- consolidated information on outstanding dues to micro, small and medium enterprises and other creditors, separately giving details of number of cases and amount involved; and
- complete details about outstanding overdue to 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 thereto in the Issue Documents.

For outstanding dues to micro, small and medium enterprises ("MSME") and other creditors, the disclosure will be based on information available with the Company regarding the status of the creditors as MSME 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.

[Signature]

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Policy on Materiality:

For the purpose of disclosure in the Issue Documents, any creditor to whom the amount payable by the Company exceeds 5% of the total trade payables as per the latest reporting period of the restated financial statements shall be classified and disclosed as a material creditor.

GENERAL

It is clarified that the Policy is solely for the purpose of disclosure requirements prescribed under the SEBI ICDR Regulations with respect to the Issue Documents, and should not be applied towards any other purpose, including for disclosure of material information by listed entities pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

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 Issue 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 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 Issue Documents.

Ratna L.

Sachin Agarwal

