

Chatha Foods Limited

(Formerly Known as Chatha Foods Private Limited)

Regd. Office: 272, Mota Singh Nagar Jalandhar Punjab, Pin code -144001, Phone No. 0181-4616381
CIN: U15310PB1997PLC020578, **E-mail:** cs@cfpl.net.in, **Website:** <https://cfpl.net.in>

Policy for Identification of 'Material' Litigation

In terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”), the Issuer shall disclose all the litigations involving the Issuer, its Directors, Promoters, Subsidiary(s) and Group Company(s) related to:

- i. All criminal proceedings;
- ii. All actions by statutory authorities and regulatory authorities;
- iii. Disciplinary action including penalty imposed by SEBI or stock exchanges against the promoters in the last five financial years including outstanding action;
- iv. Taxation - Separate disclosures regarding claims related to direct and indirect taxes, in a consolidated manner giving details of number of cases and total amount; and
- v. Other pending litigations - As per the policy of materiality defined by the board of directors of the issuer and disclosed in the Issue Document.

Besides the abovementioned litigations, other material pending litigations, as per policy of materiality defined by the Board shall also be disclosed in the Issue Documents.

In this regard, other than pending litigation mentioned in points (i) to (iv) above, any other pending litigation involving the Issuer, its Directors, Promoter, Subsidiary and Group Company, would be considered ‘material’ for the purpose of disclosure in the Issue Documents, if the monetary amount of claim by or against the entity or person in any such pending proceeding is an amount equal to or exceeding 1% of the revenue from operations of the Company as per the Restated Financial Statements for the Financial Year 2023 of the Company (being ₹ 117.23 lakhs i.e. 1% of ₹11,722.77 lakhs as per the Restated Financial Information for the Financial Year 2023) (“**Materiality Threshold**”), and/ or pending litigation otherwise determined to be material in terms of the Materiality Policy, i.e. (i) pending litigations where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in an individual litigation may not exceed ₹ 117.23 lakhs as stated above or (ii) where the monetary liability is not quantifiable or does not meet the Materiality Threshold but where an adverse outcome would materially and adversely affect the business, operations or financial position or reputation of our Company.

The board of directors of the Company at their meeting held on September 11, 2023, discussed and approved this Policy. This Policy shall be effective from the date of approval of policy by the board.

In this Policy the term:

1. Issuer/Company means Chatha Foods Limited.
2. Promoter means Promoters of Chatha Foods Limited.
3. Issue Documents means Draft Red Herring Prospectus and the Red Herring Prospectus and Prospectus proposed to be filed with SME Platform of BSE Limited and Registrar of Companies Chandigarh.

CHATHA FOODS LIMITED

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