



MONOLITHISCH INDIA LIMITED

(Formerly, Monolithisch India Private Limited)

CIN: L26999WB2018PLC227534

Registered Office: Plot No. 381, Village: - Utaraha P.S.

Neturia

Purulia, West Bengal, India, 723121

Website: www.monolithisch.com

MATERIALITY POLICY

INTRODUCTION

This materiality policy (the “**Policy**”) has been formulated to define the respective materiality policies in respect of Monolithisch India Limited (the “**Company**”), pursuant to the disclosure requirements under Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “**SEBI ICDR Regulations**”), in respect of the following:

- A. Identification of material companies to be disclosed as Group Companies in the Offer Documents (as defined hereinafter);
- B. (i) Identification of the ‘material’ outstanding litigation (in addition to all criminal proceedings, tax proceedings and actions by statutory/ regulatory authorities) involving the Company, its Promoters, its Directors and its Subsidiaries (collectively, the “**Relevant Parties**”); (ii) Identification of all outstanding criminal proceedings against Key Managerial Personnel and Senior Management of the Company and all actions taken by regulatory authorities and statutory authorities against such Key Managerial Personnel and Senior Management; and (iii) identification of outstanding litigation involving the Group Companies which may have a material impact on the Company; and
- C. Identification of ‘material’ creditors and outstanding dues therein.

DEFINITIONS

1. “**Act**” means Securities and Exchange Board of India (Issue of Capital and disclosure Requirements) Regulations, 2018, and as amended from time to time.
2. “**Company**” means **Monolithisch India Limited** (Formerly known as Monolithisch India Private Limited).
3. “**Board of Directors or Board**” means the Board of Directors of Monolithisch India Limited, as constituted from time to time.
4. “**Designated Stock Exchange**” means a recognised stock exchange having nationwide trading terminals chosen by the issuer on which securities of an issuer are listed or proposed to be listed for the purpose of a particular issue of specified securities under these regulations: Provided that, the issuer may choose a different recognised stock exchange as a designated stock exchange for any subsequent issue of specified securities.
5. “**Offer document**” means a red herring prospectus, prospectus or shelf prospectus, as applicable, referred to under the Companies Act, 2013, in case of a public issue, and a letter of offer in case of a rights issue.
6. “promoter” shall include a person:
 - i) who has been named as such in a draft offer document or offer document or is identified by the issuer in the annual return referred to in section 92 of the Companies Act, 2013; or
 - ii) who has control over the affairs of the issuer, directly or indirectly whether as a shareholder, director or otherwise; or
 - iii) in accordance with whose advice, directions or instructions the board of directors of the issuer is accustomed to act:
Provided that nothing in sub clause (iii) shall apply to a person who is acting merely in a professional capacity;

Provided further that a financial institution, scheduled commercial bank, [foreign portfolio investor other than individuals, corporate bodies and family offices] mutual fund, venture capital fund, alternative investment fund, foreign venture capital investor, insurance company registered with the Insurance Regulatory and Development Authority of India or any other category as specified by the Board from time to time, shall not be deemed to be a promoter merely by virtue of the fact that twenty per cent. or more of the equity share capital of the issuer is held by such person unless such person satisfy other requirements prescribed under these regulations;

7. "Promoter group" includes:

- i) the promoter;
- ii) an immediate relative of the promoter (i.e. any spouse of that person, or any parent, brother, sister or child of the person or of the spouse); and
- iii) in case promoter is a body corporate:
 - A) a subsidiary or holding company of such body corporate;
 - B) any body corporate in which the promoter holds twenty per cent. or more of the equity share capital; and/or any body corporate which holds twenty per cent. or more of the equity share capital of the promoter;
- iv) in case the promoter is an individual:
 - A) any body corporate in which twenty per cent. or more of the equity share capital is held by the promoter or an immediate relative of the promoter or a firm or Hindu Undivided Family in which the promoter or any one or more of their relative is a member;
 - B) any body corporate in which a body corporate as provided in (A) above holds twenty per cent. or more, of the equity share capital; and
 - C) any Hindu Undivided Family or firm in which the aggregate share of the promoter and their relatives is equal to or more than twenty per cent. of the total capital;
- v) all persons whose shareholding is aggregated under the heading "shareholding of the promoter group":

Provided that a financial institution, scheduled bank, [foreign portfolio investor other than individuals, corporate bodies and family offices] mutual fund, venture capital fund, alternative investment fund, foreign venture capital investor, insurance company registered with the Insurance Regulatory and Development Authority of India or any other category as specified by the Board from time to time, shall not be deemed to be promoter group merely by virtue of the fact that twenty per cent. or more of the equity share capital of the promoter is held by such person or entity:

Provided further that such financial institution, scheduled bank, [foreign portfolio investor other than individuals, corporate bodies and family offices] mutual fund, venture capital fund, alternative investment fund and foreign venture capital investor insurance company registered with the Insurance Regulatory and Development Authority of India or any other category as specified by the Board from time to time shall be treated as promoter group for the subsidiaries or companies promoted by them or for the mutual fund sponsored by them.

8. "Key Managerial Personnel or KMP" means Key Managerial Personnel of the Company and includes Executive Chairman, Managing Director, Whole-Time Director, Chief Executive Officer, Manager Chief Financial Officer and the Company Secretary, who may be authorized individually or collectively to determine materiality of events or information and disclose to Stock Exchange(s).

9. **“Group Companies”** As per schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, the Company is required to define materiality policy, for identification of “Group Companies” for disclosure of “Group Companies” in its draft prospectus/prospectus as:

“The words “group companies”, wherever they occur, shall include such companies as covered under applicable accounting standards and also other companies as considered material by the board of the issuer.”

For the purpose of identification of “Group Companies”, our Company has considered those companies as our Group Companies which is covered under the applicable accounting standard (AS-18) issued by the Institute of Chartered Accountants of India as per Financial Statements and also other companies as considered material by the Board of the issuer pursuant to the SEBI (ICDR) Regulation 2018. The materiality Policy framed by the Board covers such Companies as Our Group Companies which fulfils both (i) and (ii) conditions as mentioned below:-

- i) Such company that forms part of the Promoter Group of our Company in terms of Regulation 2(1)(pp)(iv) of the SEBI Regulations; and
- ii) Our Company has entered into one or more transactions with such company in preceding fiscal or audit period as the case may be exceeding ten percent (10.00%) of total revenue of the company as per Financial Statements.

10. **“Material Creditors”** Our Company is required to disclose pursuant to Para 12(A)(2) of Part A of Schedule VI of the SEBI Regulations in the Draft Prospectus / Prospectus, the details of the outstanding dues to creditors: (i) based on the policy on materiality of our Board, complete disclosure for such creditors; and (ii) consolidated information on outstanding dues to small scale undertakings and other creditors, separately giving details of number of cases and amount involved. Additionally, our Company is required to provide complete details about outstanding dues to creditors as per (i) and (ii) above on the webpage of our Company with a web link thereto in the Draft Prospectus / Prospectus which is as follows: -

For identification of material creditors, any creditor of the Company shall be considered to be material, if the amount due to any one of them exceeds five percent (5.00%) of trade payables as per the last audited financial statements of the Company.

11. **“Material Litigation”** Our Company is required to disclose in the Draft Red Herring Prospectus / Red Herring Prospectus and Prospectus all outstanding: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) taxation matters (indirect and direct taxes); and (iv) other pending material litigation, involving our Company, our directors, our promoters and our Group Companies.

1) For the purposes of disclosure pursuant to Para 12(A)(1) of Part A of Schedule VI of the SEBI Regulations and the Materiality Policy, following litigation are considered material for disclosure in Draft Prospectus/Prospectus of our Company:-

Litigation where the value or expected impact in terms of value, exceeds the lower of the following:

- (a) two percent of turnover, as per the latest annual consolidated financial statements of the Company; or
- (b) two percent of net worth, as per the latest annual consolidated financial statements

- of the Company, except in case the arithmetic value of the net worth is negative; or
- (c) five percent of the average of absolute value of profit or loss after tax, as per the last three annual consolidated financial statements of the Company.

2) For the purposes of determining material litigation(s) involving our Directors in (iv) above, our Board shall consider all outstanding litigation involving each Director and it believes that if any such litigation has an adverse outcome and therefore, would materially and adversely affect the reputation, operations or financial position of our Company, it shall be considered as material litigation and accordingly, each of our directors shall identify and provide information relating to such outstanding litigation involving themselves.

APPLICABILITY

The board of directors of the Company (the “**Board**”) at their meeting held on 27th May, 2025 discussed and approved this Policy. This Policy shall be effective from the date of its approval by the Board.

In this Policy, the term “**Offer Documents**” shall mean the draft red herring prospectus, the red herring prospectus and the prospectus and any addendum or corrigendum thereto, to be filed by the Company in connection with the proposed initial public offering of its equity shares with (i) the Securities and Exchange Board of India (“**SEBI**”), (ii) Registrar of Companies, West Bengal and (iii) stock exchange where the equity shares of the Company are proposed to be listed, as applicable.

All other capitalised terms not specifically defined in this Policy shall have the meanings ascribed to such terms in the Offer 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 subsidiaries) 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 also other companies as considered material by the board of the issuer”.

Therefore, as per the requirements of the SEBI ICDR Regulations, Group Companies shall include:

- (i) companies (other than the promoter(s) and subsidiaries) with which there were related party transactions, during the period for which financial information will be disclosed in the Offer Documents, as covered under the Indian Accounting Standard (Ind AS) 24; and
- (ii) companies as considered material by the Board.

Policy on Materiality:

With respect to point (ii) above, such companies which are members of the promoter group and with which the Company has entered into transactions during the most recent completed financial year/and the relevant stub period (as applicable) for which financial information is included in the Offer Documents, and which individually or in the aggregate, in value, exceeds 10% of the consolidated revenue from operations of the Company of the most recent completed

financial year for which financial information is disclosed in the Offer Documents, will be considered material and disclosed as a “group company” in the Offer Documents.

B. Identification of material litigation

Requirement:

As per the requirements of the SEBI ICDR Regulations, the Company shall disclose the following outstanding litigations involving the Relevant Parties:

- (i) all outstanding criminal proceedings (including matters which are at FIR stage even if no cognizance has been taken by any court);
- (ii) all outstanding actions (including all penalties and show cause notices) by regulatory and statutory authorities;
- (iii) disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters in the last five financial years preceding the relevant Offer Documents including any outstanding action; ***There are no such proceedings against the Promoters of the Company in the last 5 years.***
- (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 lower of threshold criteria mentioned below:-
 - (A) as per policy of materiality defined by the board of directors of the Company and disclosed in the Offer Documents; or -
 - (B) litigation where the value or expected impact in terms of value, exceeds the lower of the following:
 - (a) two percent of turnover, as per the latest annual consolidated financial statements of the Company; or
 - (b) two percent of net worth, as per the latest annual consolidated financial statements of the Company, except in case the arithmetic value of the net worth is negative; or
 - (c) five percent of the average of absolute value of profit or loss after tax, as per the last three annual consolidated financial statements of the Company.

As per the requirements of SEBI ICDR Regulations, 2018 read along with SEBI ICDR (Amendment) Regulations, 2025, the Company shall disclose the following pending litigation involving Key Managerial Personnel and Senior Management Personnel of the Company:

- 1) All criminal proceedings;
- 2) All actions taken by statutory and regulatory authorities

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

Policy on materiality:

Other than the litigation mentioned in points (i), (ii), (iii) and (iv) above, for the purposes of point (v) above, any other outstanding litigation involving the Relevant Parties would be considered ‘material’ for the purpose of disclosure in the Offer Documents, if:

- a) *the aggregate monetary claim made by or against the Relevant Parties in any such pending proceeding is equal to or in excess of (i) 2% of turnover, as per the latest annual consolidated financial statements of the Company; or (ii) 2% of net worth, as per the latest annual*

consolidated financial statements of the Company, except in case the arithmetic value of net worth is negative; or (iii) 5% of the average of absolute value of profit or loss after tax, as per the last three annual consolidated financial statements of the Company, whichever is lower; or

- b) where monetary liability is not quantifiable or does not exceed the threshold mentioned in point (a) above, the outcome of any such pending proceedings may have a material bearing on the business, operations, performance, prospects, financial position or reputation of the Company; or*
- c) any claim/dispute involving the Relevant Parties 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 the amount equivalent to 5% of the average of absolute value of profit or loss after tax, as per the consolidated financial statements of the Company for the last three Fiscals.*

For the purposes of determining the outstanding litigation involving the group companies, which may have a material impact on the Company, the criteria specified under "Policy on materiality" herein above shall apply.

For the purposes of the above, pre-litigation notices received by any of the Relevant Parties and Group Companies from third parties (excluding such notices issued by any statutory/ regulatory/ governmental/ taxation authorities or notices threatening criminal action to the Relevant Parties) shall, unless otherwise decided by the Board, not be considered as litigation until such time that the Relevant Parties or Group Companies as the case may be, are impleaded as party in litigation proceedings before any judicial/arbitral forum. Additionally, FIRs (whether cognizance has been taken or not) initiated against the Relevant Parties, the Key Managerial Personnel or the Senior Management shall be disclosed in this Draft Red Herring Prospectus.

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 Issue 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 Issue 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, 2018 read along with SEBI ICDR (Amendment) Regulations, 2025 with respect to the Issue Documents and should not be applied towards any other purpose.

C. Identification of material creditors and outstanding dues therein

Requirement:

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

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

Policy on materiality:

For the purpose of identification of material creditors for disclosure in the Offer Documents in terms of point (i) above, a creditor of the Company shall be considered to be material, if the amounts due to such creditor is equal to or in excess of [10]% of consolidated trade payables of the Company as of the end of the most recent financial period covered in the consolidated financial statements included in the Offer Documents.

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 Offer 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, post listing of the equity shares of the Company.

The Policy shall be without prejudice to any disclosure requirements, which may be prescribed under the Companies Act, 2013 and the rules thereunder or by SEBI and such other regulatory, judicial, quasi-judicial, governmental, 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 in accordance with regulatory amendments from time to time.
