

ORKLA INDIA LIMITED
MATERIALITY POLICY FOR DISCLOSURE IN OFFER DOCUMENTS

INTRODUCTION

This policy (the “**Policy**”) has been formulated to define certain materiality policies in respect of the proposed initial public offering of the equity shares of Orkla India Limited (the “**Company**”, and such offering, the “**Offer**”), 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**”), in respect of the following:

- a) identification of the ‘material’ companies to be disclosed as group companies of the Company;
- b) identification of the ‘material’ outstanding litigation (in addition to all criminal proceedings, actions by statutory/ regulatory authorities, disciplinary actions (including penalties) by SEBI or any stock exchanges against the promoters in the last five years and claims relating to direct and indirect tax matters) involving the Company, its promoters, subsidiaries and directors; and
- c) identification of the ‘material’ creditors of the Company.

APPLICABILITY

The Board of Directors of the Company (the “**Board**”) at their meeting held on May 27, 2025 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.

POLICY

I. 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 promoters and subsidiaries 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 the promoters 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 Ind AS 24; and (ii) any other companies as may be considered ‘material’ by our Board.

In relation to (ii) above, companies (other than the promoters and subsidiaries) forming part of the promoter group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, with which the Company has had transactions in the most recent financial year or the relevant stub period, as applicable, which individually or in the aggregate, exceed 10% of the total restated revenue from operations of the Company for the most recent financial year or the stub period, as the case may be, as per the restated consolidated financial statements included in the Offer Documents, shall be considered material.



II. Identification of 'material' litigation

Requirement

In accordance with the SEBI ICDR Regulations, the following outstanding litigation involving the Company, its promoters, directors, subsidiaries, key managerial personnel and senior management shall be disclosed in the Offer Documents:

As per the requirements prescribed under the SEBI ICDR Regulations the following pending litigation involving the Company, its directors, subsidiary(ies) and promoters (collectively "**Relevant Parties**") shall be disclosed in the Offer Documents:

A. Involving the Relevant Parties

- (i) All outstanding criminal proceedings (including matters which are at FIR stage whether cognizance has been taken or not by any court or jurisdiction);
- (ii) All outstanding actions by regulatory and statutory authorities;
- (iii) All outstanding claims related to direct and indirect taxes, in a consolidated manner, giving the number of cases and total amount involved;
- (iv) Other material outstanding litigation involving
 - (a) the Company, its directors, subsidiary(ies) and promoters (except Orkla ASA) where the value or expected impact in term of value, exceeds the lower of the following:
 - 1. two percent of turnover, as per the latest annual restated consolidated financial statements of the Company; or
 - 2. two percent of net worth, as per the latest annual restated consolidated financial statements of the Company, except in case the arithmetic value of the net worth is negative; or
 - 3. five percent of the average of the absolute value of profit or loss after tax, for the last three annual restated consolidated financial statements of the Company ("**Materiality Threshold**")
 - (b) Orkla ASA, where the monetary value or expected impact in terms of monetary value in any such pending proceeding exceeds NOK 300 million (*i.e.* 5% of the profit after tax as per the annual financial statements of Orkla ASA for financial year ended December 31, 2024) ("**Orkla ASA Materiality Threshold**").

B. Involving the Promoters

- (i) All disciplinary action (including penalty imposed) by the SEBI or any of the stock exchanges against the promoters in the last five financial years preceding the relevant Offer Document including outstanding action;

C. Involving the Key Managerial Personnel and Senior Management

- (i) All outstanding criminal proceedings involving the key managerial personnel and senior management; and
- (ii) All outstanding actions by regulatory authorities and statutory authorities against the key managerial personnel and senior management of the Company.

Policy on materiality

Other than the litigation mentioned in point A.(i) to A.(iii), B(i), C(i) and C(ii) above, any other outstanding litigation involving the Relevant Parties in point A.(iv) (including tax litigation mentioned in point A.(iii) above) would be considered 'material' for the purpose of disclosure in the Offer Documents, if the monetary amount of claim/ amount in dispute, to the extent quantifiable exceeds the Materiality Threshold and Orkla ASA Materiality Threshold, as applicable.



In addition, as mentioned in A.(iii) above, all outstanding direct and indirect tax matters involving the Relevant Parties shall also be disclosed in a consolidated manner, indicating the number of such cases and the total amount involved.

Further, in relation to matters involving the **Company, its directors, subsidiary(ies) and promoters (except Orkla ASA)** the following litigation/ arbitration proceedings shall also be considered 'material' and shall be disclosed in the Offer Documents:

- (i) litigation where the decision in one case is likely to affect the decision in similar cases, such that the cumulative amount involved in such cases exceeds the Materiality Threshold, even though the amount involved in an individual litigation may not exceed the Materiality Threshold; and
- (ii) any outstanding civil litigation/ arbitration proceedings wherein the monetary liability is not quantifiable or does not exceed the Materiality Threshold (individually or in aggregate), if the outcome of such proceeding could have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of the Company.

Further, in relation to **one of our promoters, Orkla ASA** it is hereby noted that Orkla ASA is listed on the Oslo Stock Exchange and determines its material litigation disclosure items in accordance with the applicable laws of the Kingdom of Norway. Accordingly, as per the board resolution of Orkla ASA dated May 08, 2025, the disclosures with respect to material litigations relating to Orkla ASA have been made solely for the purposes of determination of disclosure of outstanding material civil litigation involving Orkla ASA in the Offer Documents (as mentioned in point A(iv)(b)) and such matters involving Orkla ASA, wherein the monetary value or expected impact in terms of monetary value in any such pending proceeding exceeds NOK 300 million (*i.e.* 5% of the profit after tax as per the annual financial statements of Orkla ASA for financial year ended December 31, 2024), shall be disclosed.

Additionally, in relation to matters involving Orkla ASA the following litigation/ arbitration proceedings shall be considered 'material' and shall be disclosed in the Offer Documents:

- (i) litigation where the decision in one case is likely to affect the decision in similar cases, such that the cumulative amount involved in such cases exceeds the Orkla ASA Materiality Threshold, even though the amount involved in an individual litigation may not exceed the Orkla ASA Materiality Threshold; and
- (ii) any outstanding civil litigation/ arbitration proceedings wherein the monetary liability is not quantifiable or does not exceed the Orkla ASA Materiality Threshold (individually or in aggregate), if the outcome of such proceeding could have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of Orkla ASA.

For the above purposes, pre-litigation notices received by the Relevant Parties from third parties (excluding notices from governmental, statutory, regulatory, tax authorities) shall not be evaluated for materiality until Relevant Party is impleaded as a party in proceedings before any judicial/arbitral forum.

It is clarified that (a) first information reports for which no cognizance has been taken by any court or any judicial authority shall also be considered for the purpose of disclosure under A(i) and C(i) above; and (b) notices received from regulatory and statutory authorities shall also be considered for the purpose of disclosure under A(ii) and C(ii) above.

Additionally, outstanding litigation involving the group companies of the Company (identified in accordance with the policy set out under section (I) of this Policy), that may have a material impact on the Company, shall also be disclosed in the Offer Documents.

III. 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 consolidated trade payables of the Company as on the date of the most recent financial period for which the restated consolidated 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 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.

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.

For Orkla India Limited


Suniana Calapa
Chief Financial Officer

