



MATERIALITY POLICY

AS PER SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENT) REGULATIONS, 2018

This Materiality Policy (herein after referred to as "Policy") has been formulated to define the materiality policy for identification of group companies, litigation and outstanding dues to creditors in respect of M/s A G Universal Limited (herein after referred to as "Company") for the purposes of relevant disclosure in the Offer Document (defined herein below) pursuant to the requirements under Schedule VIII 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").

APPLICABILITY AND OBJECTIVE

The Policy shall be called the "Policy on Identification of Material Creditors and Material Litigations" (herein after referred to as "Materiality Policy").

The Board of Directors of the Company (herein after referred to as "Board") has at their meeting held On 18th November, 2022 has discussed and approved this Policy. This policy shall be effective from the date of approval by Board.

The Company has adopted this Materiality Policy for Identification and Determination of the following which shall be disclosed in the Offer Document:

- a) Material Group Companies;
- b) Material Creditors and;
- c) Material Litigations

In this Policy, the term "Offer Documents" shall mean the draft red herring prospectus, the red herring prospectus and the prospectus, including any amendments, supplements or corrigenda thereto, to be filed by the Company in connection with the proposed initial public offering of its equity shares with the Securities and Exchange Board of India, the Registrar of Companies, National Capital Territory of Delhi and Haryana and/or stock exchanges where the equity shares of the Company are proposed to be listed, as applicable.

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

In this Materiality Policy, unless the context otherwise requires:

- (i) Words denoting the singular shall include the plural and vice versa;
- (ii) References to the words "include" or "including" shall be construed without limitation.

Identification of 'Material' Group Companies:

REQUIREMENT:

As per the requirements of the SEBI ICDR Regulations, "Group companies", wherever this term occurs, shall include such companies as covered under the applicable accounting standards (i.e. Accounting Standard 18/Ind AS 24 issued by the Institute of Chartered Accountants of India) and also any other companies as considered material by the Board. The policy on materiality for determination of such companies as considered material by the Board, as below, shall be disclosed in the draft red herring prospectus, red herring prospectus and prospectus issued by the Company in accordance with the provisions of the SEBI ICDR Regulations for the initial public offering of its equity shares (the "Offer Documents").

For A G UNIVERSAL LIMITED



AG Universal Limited

(Formerly Known as AG Universal Private Limited)

Regd. Office : F-1, 34/1, Vikas Apartment, East Punjabi Bagh, New Delhi-110026 (INDIA)

POTICY ON MATERIALITY:

For the purpose of disclosure in the Offer Document, a company shall be considered material and will be disclosed as a "Group Company" in the Offer Document, if such entity belongs to the Promoter Group within the meaning of SEBI ICDR Regulations and the aggregate value of transaction(s) by the Company with such entity exceeds 2% of the total stand alone or consolidated revenue of the Company, whichever is lower, for the last three financial years and any stub period in respect of which such financial statements are included in the Offer Documents (such period, collectively referred to as the "Relevant Period").

For the avoidance of doubt, it is clarified that the above policy on materiality shall be without prejudice to any disclosure requirements, which may be prescribed by SEBI and / or such other applicable authority with respect to listed companies and that the above policy on materiality 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.

IDENTIFICATION OF 'MATERIAL' LITIGATION EXCLUDING CRIMINAL PROCEEDING, STATUTORY/ REGULATORY ACTIONS AND TAXATION MATTERS:

REQUIREMENT:

As per the requirements of SEBI ICDR Regulations, the Company shall disclose all the litigations involving the Company/ its directors/ promoter/ group companies in relation to:

- (i) All criminal proceedings;
- (ii) An actions by statutory / regulatory authorities;
- (iii) Taxation - Separate disclosures regarding claims related to direct and indirect taxes, in a consolidated manner giving details of number of cases and total amount;
- (iv) Other pending litigations - As per the policy of materiality defined by the board of the issuer and disclosed in the Offer Documents.

POLICY ON MATERIALITY:

Other than litigations mentioned in points (i) to (iii) above, any other pending litigation involving the Company, its directors, promoter and group companies and its subsidiaries and joint ventures shall be considered "material" for the purpose of disclosure in the Offer Documents if –

- a. the potential financial liability/monetary claim by or against the Company, its directors, promoter and group companies and its subsidiaries and joint venture in any such pending matters) is in excess of 5 % value of the Profit After Tax or 5% of the Net Worth of the Company whichever is Higher, as per the last restated financial statements of the Company;
- b. any such litigation wherein the monetary liability is not quantifiable which is or is expected to be material from the perspective of the Company's business, operations, prospects or reputation.
- c. notices received from third parties (excluding statutory/regulatory/tax authorities or notices threatening criminal action) shall, not be evaluated for materiality until such time that any of the Company, group companies and its subsidiaries or joint venture are impleaded as defendants in litigation proceedings before any judicial forum.

For A G UNIVERSAL LIMITED


MANAGING DIRECTOR



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For the purposes of determining outstanding material litigation involving the directors of the Company all outstanding litigations where an adverse outcome would materially and adversely affect the business, operations, financial position or reputation of the Company, shall be identified as material litigation.

It is clarified that the above policy on materiality shall be without prejudice to any disclosure requirements, which may be prescribed by SEBI and / or such other governmental authority with respect to listed companies and that the above policy on materiality 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.

Furthermore, the above policy on materiality shall be without prejudice to the disclosure requirements prescribed under the Companies Act, 2013 and the rules thereunder with respect to disclosure of litigation, notices, disputes and other proceedings in the Offer Documents.

IDENTIFICATION OF 'MATERIAL' CREDITORS:

REQUIREMENT:

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

- (i) Based on the Policy on materiality of the Board and as disclosed in the Offer Documents, disclosure for such creditors;
- (ii) Consolidated information on outstanding dues to small scale undertakings and other creditors, separately giving details of number of cases and amount involved;
- (iii) Complete details about outstanding dues to creditors as per (i) and (ii) above shall be disclosed on the webpage of the company with a web link thereto in the Offer Documents.

POLICY ON MATERIALITY:

For identification of material creditors, such creditors of the Company shall be considered to be material for the purpose of disclosure in the Offer Documents and on the website of the Company, if amount dues to any one of them exceed Rs.1,00,000/- of the outstanding trade payables as per the latest restated financial statements of the Company.

Disclosure in Offer Documents regarding material creditors and SMEs

(i) For creditors identified as material based on the abovementioned Policy, following disclosure would be made in the Offer Documents:

- a. consolidated amount due to such material creditors; and
- b. aggregate number of such creditors.

(ii) For outstanding dues to any party which is a Small-Scale Undertaking ("SSI") or a Micro Small and Medium Enterprises ("MSME"), the disclosure will be based on information available with the Company regarding status of the suppliers as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as has been relied upon by the auditors. Consolidated information for such identified SSI/MSMEs and creditors shall be provided in the Offer Documents in the following manner:

- a. consolidated amounts due to such entities; and
- b. aggregate number of entities.

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The Company shall make relevant disclosures before the Audit Committee / Board, as required by the applicable law from time to time.

It is clarified that the above policy on materiality of creditors shall be without prejudice to any disclosure requirements, which may be prescribed by SEBI and / or such other applicable regulatory authority with respect to listed companies and the above policy on materiality is solely from the perspective of disclosure requirements prescribed under the SEBI ICDR Regulations with respect to the Offer Documents and the website of the Company and should not be applied towards any other purpose.

AMENDMENT:

The Managing Director of the Company shall have the power to amend any of the provisions of this Materiality Policy, substitute any of the provisions with a new provision or replace this Materiality Policy entirely with a new Policy. This Materiality Policy shall be subject to review/changes as may be deemed necessary and in accordance with regulatory amendments from time to time.

GENERAL:

The above policies shall be subject to review/changes by the Board as may be deemed necessary and in accordance with regulatory amendments, from time to time.

For A G UNIVERSAL LIMITED

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MANAGING DIRECTOR

Amit Gupta

DIN: 00255618

(Chairman-Cum-Managing Director)

Add: H.No-43/41, West Punjabi Bagh

New Delhi-110026