

**PROJECT SPEED | MATERIALITY POLICY FOR DISCLOSURES IN THE OFFER DOCUMENTS**

This document outlines the policy in connection with the identification of: (i) outstanding material litigation involving Jain Resource Recycling Limited (the “**Company**”), its Subsidiaries, Directors, Promoter (collectively, the “**Relevant Parties**”) and Key Managerial Personnel and Senior Management; (ii) its Group Companies to be disclosed in the Offer Documents (*as defined below*); (iii) material creditors of the Company, in accordance with the requirements of 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**”), and (iv) identification of material subsidiaries in accordance with requirements of the SEBI ICDR Regulations and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (“**SEBI LODR Regulations**” and such policy the “**Policy**”).

The board of directors of the Company (“**Board**”) at their meeting held on March 21, 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, to be filed by the Company with the Securities and Exchange Board of India (“**SEBI**”) and the relevant stock exchanges where the Equity Shares of the Company are proposed to be listed (the “**Stock Exchanges**”), the Red Herring Prospectus and the Prospectus (along with any addenda or corrigenda thereto), as the case may be, in connection with the proposed initial public offering of the equity shares of the Company, to be filed with the SEBI, the Registrar of Companies, Tamil Nadu & Andaman at Chennai, the Stock Exchanges, and any other regulatory authorities, as applicable.

**I. Materiality policy for outstanding litigation**

In terms of the SEBI ICDR Regulations, the Company is required to disclose the following pending litigation involving the Relevant Parties:

- (i) All criminal proceedings (including matters which are at FIR stage whether cognizance has been taken or not by any court or judicial authority) including all criminal proceedings involving Key Managerial Personnel and Senior Management of the Company;
- (ii) All actions by statutory and/or regulatory authorities (including all penalties and notices) including all actions by statutory and/or regulatory authorities against the Key Managerial Personnel and Senior Management of the Company;
- (iii) Disciplinary actions including penalty imposed by SEBI or stock exchanges against the Promoter in the last five financial years including outstanding actions;
- (iv) Claims related to direct and indirect taxes, in a consolidated manner, giving details of the number of cases and total amount involved in such cases; and
- (v) Other pending litigations based on lower of the threshold criteria mentioned below-
  - a) As per the policy of materiality defined by the Board of Directors and disclosed in the Offer Documents; or
  - b) Litigation where the value or expected impact in terms of value involved in such proceeding exceeds the lower of: (A) 2% of the turnover of the Company for the latest financial year as per the Restated Consolidated Financial Information; or (B) 2% of the net worth of the Company as at the end of the latest recent financial period as per the Restated Consolidated Financial Information, except in case the arithmetic value of the net worth is negative; or (C) 5% of the average of the absolute value of the profit or loss after tax of the Company for the last three financial years as per the Restated Consolidated Financial Information (“**Threshold**”);

For the purposes of determining litigations as mentioned in point (v) (a) above, any pending litigation involving the Relevant Parties shall be considered material for the purpose of disclosure in the Offer Documents, if:



- a) Litigation where the value or expected impact in terms of value involved in such proceeding exceeds the lower of: (A) 2% of the turnover of the Company for the latest financial year as per the Restated Consolidated Financial Information; or (B) 2% of the net worth of the Company as at the end of the latest recent financial period as per the Restated Consolidated Financial Information, except in case the arithmetic value of the net worth is negative; or (C) 5% of the average of the absolute value of the profit or loss after tax of the Company for the last three financial years as per the Restated Consolidated Financial Information ("Threshold"); or
- b) the outcome of such proceeding could have a material adverse effect on the business, operations, performance, results of operations, prospects, financial position or reputation of the Company, irrespective of whether the amount involved in such proceeding exceeds the Threshold or not or whether the monetary impact is not quantifiable in such proceeding; or
- c) pending litigations where the decision in one litigation is likely to affect the decision in similar litigations which could either individually or collectively have a material adverse effect on the business, performance, prospects, operations, financial position or reputation of the Company, shall be disclosed in the Offer Documents, even though the amount involved in an individual litigation may not exceed the Threshold.

Further, as regards outstanding litigations involving the Group Companies, only such outstanding litigations shall be disclosed that may have a material impact on the Company. For the purpose of the above, pre-litigation notices received by the Relevant Parties from third parties (excluding those notices by governmental, statutory, regulatory or tax authorities or notices threatening criminal action) shall not be evaluated for materiality and shall not be, unless otherwise decided by the Board of Directors, considered as an outstanding litigation, until such time that the Relevant Parties, as the case may be, are impleaded as a party in the litigation/ arbitration proceeding/ investigation/ regulatory action before any judicial/ arbitral forum, tribunal or government authority.

## II. Materiality Policy - Group Companies

In terms of the SEBI ICDR Regulations, the term 'group companies' includes:

- (i) Such companies (other than promoter(s) and subsidiary(ies)) with which the relevant issuer company had related party transactions, during the period for which financial information is disclosed in the relevant Offer Documents, as covered under the applicable accounting standards; and
- (ii) Any other companies considered material by the board of directors of the issuer company.

Accordingly, in respect of point no. (i) above, all such companies (other than the Subsidiaries) with which the Company had related party transactions during the period covered in the Restated Consolidated Financial Information included in the Offer Documents, as covered under the applicable accounting standards i.e., Ind As 24, shall be considered as '**Group Companies**', in accordance with the SEBI ICDR Regulations.

In addition, for the purposes of point no. (ii) above, a company (other than the companies covered under point no. (i) above) shall be considered 'material' and will be disclosed as a group company in the Offer Documents, if (a) such a company is: a member of the Promoter Group in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations, and (b) with which there were transactions in the most recent financial year and stub period, if any, (in respect of which Restated Consolidated Financial Information are included in the Offer Document), ("**Test Period**") which individually or in the aggregate, exceeds 10% of the total revenue from operations of the Company for the Test Period, as per the Restated Consolidated Financial Information. .

## III. Materiality Policy - Material Creditors

In terms of the SEBI ICDR Regulations, the Company is required to make the following disclosures in the Offer Documents and on the website of the Company for outstanding dues to the creditors:





- (i) Based on a policy of materiality adopted by the Board, details of the Company's creditors which shall include the consolidated number of creditors and the aggregate amount involved;
- (ii) Consolidated information pertaining to outstanding dues to micro, small and medium enterprises ("MSME") and other creditors, separately giving details of number of cases and amount involved; and
- (iii) Additionally, complete details about outstanding overdues to material creditors along with the name of such creditor(s) and amount due shall be disclosed on the website of the Company, and the relevant web link shall be disclosed in the Offer Documents.

For outstanding dues to 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.

For the purposes of point (i) above, a creditor of the Company (except banks and financial institutions from which the Company has availed financing facilities) shall be considered 'material' for the purpose of disclosure in the Offer Documents, if amount due to such creditor is equal to or in excess of 5% of the total trade payables of the Company (on a consolidated basis), as at the end of the latest financial period covered in the Restated Consolidated Financial Information.

#### IV. Materiality Policy - Material Subsidiaries

In terms of the SEBI LODR Regulations and SEBI ICDR Regulations, the Company is required to make the following disclosures in the Offer Documents for material subsidiaries if the net worth or turnover of the subsidiary exceeds 10% of the consolidated net worth or turnover of the Company and its Subsidiaries in the immediately preceding accounting year:

- (i) statement of special tax benefits (under direct and indirect laws); and
- (ii) all government and other material approvals which are material and necessary for carrying on the business and operations.

Further, at least one independent director of the Board shall be a director on the board of directors of an unlisted material subsidiary if the subsidiary's turnover or net worth exceeds 20% of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

In terms of the SEBI ICDR Regulations, separate audited financial statements of the material subsidiary for the last three fiscals shall be uploaded on the Company's website, if the subsidiary's turnover or net worth or profit before tax is 10% or more of the Company's turnover or net-worth or profit before tax for each respective year.

#### General

It is clarified that the 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 the Company pursuant to the requirements under the SEBI LODR Regulations.

The Policy shall be without prejudice to any disclosure requirements which may be prescribed by SEBI and/ or any 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.

The Policy shall be subject to review/changes as may be deemed necessary and in accordance with applicable law from time to time.



All capitalised terms not specifically defined in this Policy shall have the same meaning as ascribed to such terms in the Offer Documents.

For JAIN RESOURCE RECYCLING LIMITED

*Bibhu Kalyan*

BIBHU KALYAN RAUTA  
Company Secretary

