# ROYAL CHAIN LIMITED

( FORMERLY KNOWN AS ROYAL CHAIN PRIVATE LIMITED & ROYAL CHAINS PRIVATE LIMITED )
GST : 27AAGCR6146R1ZL CIN : U74120MH2013PLC247888
Registered Office : 1st Floor, 127/129, Office No. 101/102,Royal House, Shaikh Memon Street, Zaveri Bazaar, Kalbadevi,Mumbai - 400002. Maharashtra.

## ROYAL CHAIN LIMITED MATERIALITY POLICY

### I. Background

This policy (the "**Materiality Policy**") has been formulated to define the respective materiality thresholds in respect of Royal Chain Limited (the "**Company**") in terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**"), to be disclosed in the draft red herring prospectus, the red herring prospectus, the prospectus and any addendum or corrigendum thereto, respectively ("**Offer Documents**") in respect of the following:

(i) identification of all outstanding legal proceedings involving the Company, its Subsidiaries, its Promoters and its Directors ("**Relevant Parties**"), Key Managerial Personnel and members of the Senior Management, as applicable, including outstanding material legal proceedings involving the Relevant Parties;
(ii) identification of material creditors of the Company and outstanding dues therein;
(iii) identification of companies to be disclosed as 'group companies' in the Offer Documents; and
(iv) approach on disclosure of outstanding litigation involving the 'group companies' of the Company.

This Policy shall be effective from the date of approval of the Materiality Policy by the board of directors of the Company ("**Board**").

### II. Material Civil Litigation

#### A. *Company and Subsidiaries*:

All outstanding litigation including civil legal proceedings and arbitration matters, other than criminal matters, actions taken by statutory and regulatory authorities and tax matters involving the Company and its Subsidiaries would be considered material for the purpose of disclosure in the Offer Documents, if the monetary claim or value or expected impact in terms of value of the outstanding litigation, whether by or against the Company and its Subsidiaries, in any such pending proceeding is individually in excess of the lower of the following: (a) 2% of the turnover as per the restated consolidated financial statements of the Company for the last completed financial year disclosed in the Offer Documents; (b) 2% of the net worth as per the restated consolidated financial statements of the Company for the last completed financial year disclosed in the Offer Documents, 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/loss after tax as per the restated consolidated financial statements of the Company for the last three financial years disclosed in the Offer Documents ("**Materiality Threshold**").

Note: For the purpose of clause (c) above, it is clarified that the average of absolute value of profit or loss after tax is to be calculated by disregarding the 'sign' (positive or negative) that denotes such value.

Further, the following outstanding litigation including civil legal proceedings and arbitration matters, other than criminal matters, actions taken by statutory and regulatory authorities and tax matters, shall also be considered material in relation to the Company and its Subsidiaries:

(i) Such outstanding litigation where the decision in one litigation is likely to affect the decision in a similar litigation, even though the value or expected impact in terms of value in an individual litigation may not exceed the Materiality Threshold but where the cumulative value or expected impact in terms of value of such matters exceeds the Materiality Threshold specified above; and

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All outstanding litigation which may not meet the Materiality Threshold or where the value or expected impact in terms of value of such litigation is not determinable or quantifiable but nonetheless, in the opinion of the Board, such outstanding litigation, directly or indirectly, or together with similar other proceedings, has a material adverse effect on the business, operations, performance or financial condition, reputation, results of operations or cash flows of the Company.

***B.*** ***Directors:***

In addition to all outstanding litigation (including civil litigation and arbitration proceedings) other than criminal matters, actions taken by statutory and regulatory authorities and tax matters, in which a Director is a party along with the Company and/or its Subsidiaries, and which shall be considered material in terms of (A) above, all outstanding litigation including civil legal proceedings and arbitration matters, other than criminal matters, actions taken by statutory and regulatory authorities and tax matters against the Directors of the Company would be considered as material for disclosure in the Offer Documents if:

(i) the monetary claim or value or expected impact in terms of value of such litigation exceeds the Materiality Threshold; or

(ii) the value or expected impact in terms of value of such litigation does not exceed the Materiality Threshold or is not determinable or quantifiable but nonetheless, in the opinion of the Board, such outstanding litigation, directly or indirectly, or together with similar other proceedings, has a material adverse effect on the business, operations, performance or financial condition, reputation, results of operations or cash flows of the Company.

Accordingly, each of the Directors shall identify and provide information relating to such outstanding litigation involving themselves.

***C.*** ***Promoters:***

In addition to all outstanding litigation (including civil litigation and arbitration proceedings) other than criminal matters, actions taken by statutory and regulatory authorities and tax matters, in which the Promoters are a party, along with the Company and/or its Subsidiaries, and which shall be considered material in terms of (A) above, all outstanding litigation including civil legal proceedings and arbitration matters, other than criminal matters, actions taken by statutory and regulatory authorities and tax matters against the Promoters of the Company would be considered as material for disclosure in the Offer Documents if:

(i) the monetary claim or value or expected impact in terms of value of such litigation exceeds the Materiality Threshold; or

(ii) the value or expected impact in terms of value of such litigation does not exceed the Materiality Threshold or is not determinable or quantifiable but nonetheless, in the opinion of the Board, such outstanding litigation, directly or indirectly, or together with similar other proceedings, has a material adverse effect on the business, operations, performance or financial condition, reputation, results of operations or cash flows of the Company.

Accordingly, each of the Promoters shall identify and provide information relating to such outstanding litigation involving themselves/itself.

Further, any disciplinary action including any penalties imposed by the Securities and Exchange Board of India ("**SEBI**") or stock exchanges against the Promoters in the last five financial years preceding the date of the relevant Offer Documents, including outstanding action as required under the SEBI ICDR Regulations will be disclosed in the Offer Documents.

**III.** **Other Legal Proceedings:**

***A. Company, Subsidiaries, Promoters and Directors:***

Please note that:

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(i) all outstanding criminal proceedings (including any notices received for such criminal proceedings and matters which are at the first information reports even if no/some cognizance has been taken by any court or judicial authority) involving the Relevant Parties;

(ii) all outstanding actions (including disciplinary actions, penalties, and show cause notices) by regulatory authorities and statutory authorities (including judicial, quasi-judicial, administrative or enforcement authorities) against the Relevant Parties; and

(iii) all outstanding claims related to direct and indirect tax matters involving the Relevant Parties (in a consolidated tabular manner, giving the number of cases and total amount), will be disclosed in the Offer Documents.

**Note for tax cases:** In the event the value or expected impact in terms of value of any tax matters exceeds the Materiality Threshold specified above in relation to each of the respective Relevant Party, individual disclosures of such tax matters will be included in the Offer Documents.

***B. Key Managerial Personnel and members of Senior Management:***

Further, in relation to Key Managerial Personnel and members of Senior Management, each as disclosed in the Offer Documents, (i) all outstanding criminal proceedings (including any notices received for such criminal proceedings and matters which are at the first information reports even if no/some cognizance has been taken by any court); and (ii) all outstanding actions (including disciplinary actions, penalties and show cause notices) by regulatory authorities and statutory authorities (including judicial, quasi-judicial, administrative or enforcement authorities) against such Key Managerial Personnel and members of the Senior Management, will be disclosed in the Offer Documents.

Accordingly, each of the Key Managerial Personnel and Senior Management shall identify and provide information relating to such outstanding litigation involving themselves.

For the purposes of III above, pre-litigation notices received by Relevant Parties, Key Managerial Personnel and members of the Senior Management, from third parties (excluding notices issued by statutory or regulatory or governmental or tax or judicial or quasi-judicial authorities or notices threatening criminal action) and matters in which summons have not been received by the Relevant Parties, Key Managerial Personnel and members of the Senior Management, shall not be considered as litigation, unless otherwise decided by the Board, until such time that the Relevant Parties and Key Managerial Personnel and members of the Senior Management are impleaded as defendants in the litigation proceedings before any judicial/ quasi-judicial or arbitral forum or is notified by any governmental, statutory, judicial, quasi-judicial or regulatory authority of any such proceeding that may be commenced. Further, for the purposes of disclosure of outstanding criminal proceedings involving the Relevant Parties, Key Managerial Personnel and members of the Senior Management of our Company, criminal complaints shall not be considered as outstanding litigation, until such time as an FIR has been registered (even if no cognizance has been taken by any court) or cognizance has been taken by the relevant court/magistrate/authority.

## IV. Material creditors

In terms of the SEBI ICDR Regulations, the details of creditors including the consolidated number of creditors, aggregate amount involved, details of outstanding amounts due to micro, small and medium enterprises ("**MSME**") and other creditors, separately, giving details of number of outstanding creditors and aggregate amount due are required to be disclosed in the Offer Documents and details of outstanding overdues to the material creditors along with names and amounts involved for each such material creditor shall be disclosed on the website of the Company.

For the purpose of identification of material creditors, a creditor of the Company shall be considered 'material' for the purposes of disclosure in the Offer Documents and on the website of the Company, if the dues owed by the Company to such creditor is equivalent to or exceeds 5% of the consolidated trade payables of the Company, as on the end of the latest financial period/year disclosed in the Offer Documents. Further, for outstanding dues to MSME, the disclosure will be based on information available with the Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Act, 2006.

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## V. Identification of companies to be disclosed as group companies in the Offer Documents

With respect to identification of group companies, the following approach may be considered pursuant to the provisions of the SEBI ICDR Regulations.

(i) Such a company (other than the corporate promoters (if any) and subsidiaries of the Company as on the date of the Offer Documents) with which there are related party transactions during any of the financial periods being included in the Offer Documents, as per the applicable accounting standards; and

(ii) any other company identified as 'material' by the Board.

With respect to (ii) above, companies (other than the companies categorized under (i) above) that are a part of the Promoter Group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations and have entered into one or more transactions with the Company during (i) the most recent financial year; and (ii) stub period (if any), respectively, as per the restated consolidated financial information disclosed in the Offer Documents, which individually or in the aggregate, exceed 10% of the revenue from operations of the Company for (i) the most recent financial year; and (ii) stub period (if any), respectively, as per the restated consolidated financial information disclosed in the Offer Documents, shall be considered material by the Board and disclosed as a 'Group Company' in the Offer Documents.

## VI. Litigation approach for Group Companies

All Group Companies shall identify pending litigations which they consider material to themselves. The Board shall subsequently identify such litigation out of the pending material litigations identified by the respective Group Companies, which, in view of the Board may have a material impact on the Company, and these litigations will be disclosed in the Offer Documents.

Any pending litigation involving the Group Companies, (as identified in accordance with the provisions of the SEBI ICDR Regulations and (V) above) would be considered to have a 'material impact' on the Company for the purpose of disclosure in the Offer Documents, if an adverse outcome from such pending litigation would materially and adversely affect the business, operations, cash flows, performance, financial position, or reputation of the Company.

For the purposes of the above, pre-litigation notices received by such Group Companies from third parties (excluding notices issued by statutory or regulatory or governmental or tax or judicial or quasi-judicial authorities or notices threatening criminal action) shall not be considered outstanding litigation until such time that such Group Company, is impleaded as a defendant in litigation that may be commenced before any judicial/quasi-judicial or arbitral forum or is notified by any governmental, statutory, judicial, quasi-judicial or regulatory authority of any such proceeding that may be commenced, or unless decided otherwise by the Board.

## VII. General

The Materiality Policy shall be without prejudice to any disclosure requirements, which may be prescribed under the Companies Act, 2013, as amended and the rules thereunder with respect to disclosure of litigation, notices, disputes and other proceedings in the Offer 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 Offer Documents, or disclosures that may arise from any investor or other complaints.

In this regard, it is clarified that this Materiality Policy 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 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 Materiality Policy shall be subject to review/changes as may be deemed necessary and in accordance with regulatory amendments from time to time.

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All capitalised terms not specifically defined in this Materiality Policy shall have the meanings ascribed to such terms in the Offer Documents.

**for Royal Chain Limited**
*(Formerly known as Royal Chain Private Limited and Royal Chains Private Limited)*

**Gaurav Garg**
**Head-Legal, Company Secretary and Compliance Officer**

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**For Royal Chain Limited**
**Sd/-**

**Adopted by the Board vide 27th September, 2026**

