

**MATERIALITY POLICY
OF REGAAL RESOURCES LIMITED DULY ADOPTED IN
ITS BOARD MEETING DATED 04-11-2024**

MATERIALITY POLICY

This document sets out the materiality policy in connection with the identification of: (i) outstanding material litigation (in addition to all criminal proceedings, tax proceedings and actions by statutory/ regulatory authorities) involving Regaal Resources Limited (**Company**), its Directors and its Promoters ; (ii) material companies to be disclosed as its Group Company(ies); and (iii) the material creditors and outstanding dues of the Company (collectively, the **Materiality Policy**), each in terms of the disclosure requirements under Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (**SEBI ICDR Regulations**).

The Board of Directors of the Company (**Board**) at their meeting held on 4th November, 2024 discussed and approved this Materiality Policy. This Materiality Policy shall be effective from the date of approval of the Materiality Policy by the Board.

In this Materiality Policy, the term 'Offer Documents' shall mean the Draft Red Herring Prospectus, the Updated Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, and any addendum or corrigendum thereto to be filed and/or submitted by the Company in connection with the proposed initial public offering of its equity shares with the Securities and Exchange Board of India (**SEBI**), the Registrar of Companies, West Bengal at Kolkata (**RoC**) and/or stock exchanges where the equity shares of the Company are proposed to be listed, and/ or any other authorities, regulatory or otherwise, as applicable.

In terms of SEBI ICDR Regulations, the Company is required to disclose the following pending litigation involving itself, its Directors and its Promoters, in the Offer Documents. Accordingly, the details below shall be disclosed for litigation involving the Company, its Directors and its Promoters:

- a. All outstanding criminal proceedings (including first information reports even if no cognizance has been taken by any court);
- b. All outstanding actions (including all penalties and show cause notices) by statutory and/ or regulatory authorities;
- c. Outstanding claims related to direct and indirect taxes, in a consolidated manner giving details of number of cases and total amount. In the event any tax matters involve an amount exceeding the threshold proposed in (i) below, in relation to the Company, its Promoters, or its Directors, individual disclosures of such tax matters will be included; and
- d. Other pending litigations/arbitration proceedings - As per the policy of materiality defined by the Board and disclosed in the Offer Documents.

Additionally, in terms of the SEBI ICDR Regulations, the Company is required to disclose (i) any disciplinary action (including any penalty) imposed by SEBI or any of the stock exchanges against any of the Promoters in the 5 (five) financial years preceding the date of the relevant Offer Document as well as in current year in which the relevant Offer Document is getting filed, including any outstanding action; and (ii) outstanding litigation (including first information reports) involving the Group Company(ies), which may have a material impact on the Company, as applicable.

For the purposes of (a) above, to the extent such matters relate to Section 138 of the Negotiable Instruments Act, 1881, disclosures shall be included in the Offer Documents in a consolidated manner giving details of the number of cases and total amount involved in such cases.

For purposes of (d) above, all outstanding litigation/ arbitration proceedings (other than those covered under (a) - (c) above) involving the Company, its Directors and its Promoters shall be considered "material" and disclosed in the Offer Documents:

- (i) if the aggregate monetary amount of claim made by or against the entity or person in any such pending proceeding exceeds: (b) 2% of the turnover of the Company as per the last audited restated financial information of our Company; or (c) ₹ 2% of net worth of the Company as per the last audited restated financial information of our Company (except in case the arithmetic value of the net worth is negative) or (d) 5% of the average absolute value of profit or loss after tax of the Company as per the last three audited restated financial information of our Company, whichever is lower; or
- (ii) where monetary liability is not determinable or quantifiable for any other outstanding proceeding, or which does not fulfil the financial threshold specified in (i) above, but the outcome of any such pending proceeding may have a material adverse effect on the business, operations, performance, prospects, position or reputation of the Company; or
- (iii) litigations 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 materiality threshold.

Further, as per the requirements of SEBI ICDR Regulations, the Company shall also disclose such outstanding litigation (including first information reports) involving its Group Company(ies) which has a material impact (as determined by the Board) on the Company.

Pre-litigation notices received by the Company, its Directors, its Promoters, or its Group Company(ies), from third parties (excluding notices from statutory, regulatory or tax authorities or notices threatening criminal action) shall not be evaluated for materiality until the Company, its Directors, its Promoters, or its Group Company(ies), is impleaded in proceedings before any judicial/ arbitral forum.

I. Materiality policy for group companies

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

- a. Such companies (other than promoters and subsidiaries) 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
- b. Any other companies considered material by the Board.

Accordingly, for I(a) above, all such companies with which there were related party transactions during the periods covered in the Restated Financial Information, as covered under the applicable accounting standards, shall be considered as Group Companies in terms of the SEBI ICDR Regulations.

For paragraph I(b) above, the Company does not consider any company as a group company.

II. Materiality policy for material creditors

In terms of SEBI ICDR Regulations, the Company shall make the following disclosures in the Offer Documents for outstanding dues to creditors:

- a. Based on the policy on materiality adopted by the Board and as disclosed in the Offer Documents, details of the Company's creditors, including the consolidated number of creditors and the aggregate amount involved;
- b. Consolidated information on outstanding dues to micro, small and medium enterprises, and other creditors, separately giving details of number of cases and amount involved; and

- c. 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.

For the purposes of identification of material creditors, in terms of point II(a) above, a creditor of the Company, shall be “material” for the purpose of disclosure in the Offer Documents, if amounts due to such creditor is equal to or in excess of 5 % of the total trade payables of the Company as at the end of the last financial year in the Restated Financial Information of the Company to be included in the Offer Documents.

General

It is clarified that the Materiality Policy is solely for the purpose of disclosure requirements in Offer Documents prescribed under the SEBI ICDR Regulations and should not be applied towards any other purpose.

The Materiality Policy shall be without prejudice to any disclosure requirements which may be prescribed by SEBI and/ or any other regulatory 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 Materiality Policy shall be subject to review and/ or changes as may be deemed necessary and in accordance with applicable law from time to time.

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