

**JAIN INTERNATIONAL POWER LIMITED**

**POLICY ON IDENTIFICATION OF MATERIAL GROUP COMPANIES,  
MATERIAL CREDITORS AND MATERIAL LITIGATION**

**(ADOPTED AT THE BOARD MEETING HELD ON 8<sup>TH</sup> SEPTEMBER, 2025)**





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#### D. IDENTIFICATION OF THE MATERIAL GROUP COMPANIES



The Company is required to disclose certain matters in relation to its group companies in the Draft Prospectus Red Herring / Red Herring Prospectus/ Prospectus. The SEBI Regulations define “group companies” as:

*“The words “group companies”, wherever they occur, shall include such companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which financials information is disclosed, as covered under applicable accounting standards and also other companies as considered material by the board of the issuer.”*

In the opinion of the Board of the Company, “group companies” and “Related Parties” shall be companies/entities as defined under the applicable Accounting Standards (being Accounting Standard -18) and also other companies considered material by the Board of Directors of the Company.

The following criteria shall also be considered:

- i. such company forms part of the Promoter Group of the Company in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018; and
- ii. where the Company has entered into one or more transactions with such company in the last audited financial year, cumulatively exceeding 20.00% of total revenue of the Company as per Financials Statements.”

#### **E. IDENTIFICATION OF MATERIAL LITIGATIONS**

##### Requirement:

As per the requirements of SEBI (ICDR) Regulations 2018, the Company shall disclose all the litigation involving the Company, its joint venture(s) and directors related to:

- i. All criminal proceedings;
- ii. All actions by statutory / regulatory authorities;
- iii. Disciplinary action including penalty imposed by SEBI or stock exchanges against the promoters in the last five financial years including outstanding action;
- iv. Tax proceedings - claims related to direct and indirect taxes; and





- v. Other outstanding litigations based on lower of threshold criteria mentioned below
- As per the policy of materiality defined by the board of directors of the issuer and disclosed in the offer document; or
  - Litigation where the value or expected impact in terms of value, exceeds the lower of the following:
    1. two percent of turnover, as per the latest annual audited financial statements of the issuer; or
    2. two percent of net worth, as per the latest annual audited financial statements of the issuer, except in case the arithmetic value of the net worth is negative; or
    3. five percent of the average of absolute value of profit or loss after tax, as per the last three annual audited financial statements of the issuer.

As per the requirements of SEBI ICDR Regulations, the Company shall disclose the following pending litigation involving Key Managerial Personnel and Senior Management Personnel of the Company:

1. All criminal proceedings
2. All actions taken by statutory and regulatory authorities

Further, as per the requirements of SEBI ICDR Regulations, the Company shall also disclose such outstanding litigation involving the group companies which has a material impact (as determined by the Board) on the Company.

Further, pre-litigation notices received/sent by the Relevant Parties from/to third parties (excluding those notices issued by statutory/regulatory/tax authorities or notices threatening criminal action) have not and shall not, be considered as material litigation until such time that the Relevant Parties, as the case may be, are impleaded as a party in proceedings before any judicial /arbitral forum.

The above policy on materiality shall be without prejudice to any disclosure requirements, which may be 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 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 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.

#### **F. IDENTIFICATION OF MATERIAL CREDITORS**

##### Requirement:

As per the requirements of SEBI (ICDR) Regulations 2018, the Company shall make relevant disclosures in the offer documents for outstanding dues to creditors:

- i. Based on the policy of materiality defined by the Board of Directors of the Company and as disclosed in the offer document, disclosure for such 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 amount involved; and
- iii. Complete details about outstanding overdues 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.

##### 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 amounts due to such creditor exceeds five percent (5.00%) of the total consolidated trade payables of the Company as per the latest audited financial statements of the Company, as disclosed in the offer documents.

Disclosures in the Offer Documents regarding material creditors:

- i. For creditors identified as 'material' based on the above-mentioned Policy, information on outstanding dues to such material creditors shall be disclosed in the Offer Documents along with the details of the material creditors, which include the consolidated number of creditors and amount involved on an aggregate basis, as of the date of the latest audited financial statements included in the Offer Documents.



ii. For outstanding dues to micro, small and medium enterprises ("MSMEs"), the disclosure will be based on information available with the Company regarding the status of the creditors as MSMEs 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. Information for such identified MSMEs creditors shall be provided in the Offer Documents in the following manner:

- a. aggregate amounts due to such MSME creditors; and
- b. aggregate number of such MSME creditors.

as of the date of the latest audited financial statements included in the Offer Document.

iii. Complete details about outstanding over dues to the material creditors along with the name and amount involved for each such material creditor shall be disclosed on the website of our Company with a web link in the Offer Documents.

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

#### **G. REVIEW AND AMENDMENT**

The Board (including its duly constituted committees wherever permissible) shall have the power to amend this Policy, substitute any of the provisions with a new provision or replace this Policy entirely with a new Policy. This Policy shall automatically stand amended to reflect any changes to the SEBI Regulations, to the extent the same is the subject matter of this Policy.

#### **H. DISCLOSURE**

The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 requires the same to be disclosed in its Draft Red Herring Prospectus/ Red Herring Prospectus /Prospectus of the company.

**For and Behalf of  
JAIN INTERNATIONAL POWER LIMITED**

JAIN INTERNATIONAL POWER LTD.

**Prakash Kumar Jain**   
**Managing Director & Chairman**