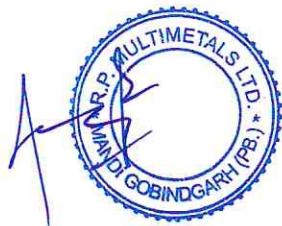

MATERIAL LITIGATION AND MATERIAL CREDITORS

R. P. MULTIMETALS LIMITED



1. INTRODUCTION

The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 specifies the requirement for determination and disclosure of:

- a. Companies which are considered to be material as a group company of the Company within the meaning of 'Group Company' defined under the SEBI Regulations;
- b. material litigation involving the issuer company, its directors, its subsidiaries (if any), its promoters and its group companies; and
- c. material outstanding dues to creditors.

2. OBJECTIVE

In view of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, the Board of Directors ("Board") of R. P. MULTIMETALS LIMITED ("R. P. Multimetals" or the "Company") has adopted this policy and procedures for determination of:

- i. Group companies ;
- ii. Material Litigations; and
- iii. Material Creditors.

This policy shall be called the 'Policy on Identification of Material Creditors and Material Litigations' ("Policy").

3. POLICY PERTAINING TO IDENTIFICATION OF GROUP COMPANIES, MATERIAL CREDITORS AND MATERIAL LITIGATION

IDENTIFICATION OF THE GROUP COMPANIES

The Company is required to disclose certain matters in relation to its "group companies" in the Draft Red Herring Prospectus/ 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.

Our Board believes that a company shall be considered material and will also be disclosed as a group company if such company is a Material Subsidiary as defined in Regulation 16 SEBI (LODR) Regulations, 2015 or if:



- (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 10.00% of total revenue of the Company as per Restated Financials Statements.”

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. Claims related to direct and indirect taxes, in a consolidated manner giving details of number of cases and total amount; and
- v. Other material pending litigations - as per policy of materiality defined by the Board and disclosed in the Offer Documents.

Additionally, in terms of the SEBI (ICDR) Regulations 2018, the Company is required to disclose any outstanding litigation involving the group companies, which may have a material impact on the Company. For the purposes of determining the outstanding litigation involving the group companies, which may have a material impact on the Company, the criteria specified under “Policy on materiality” herein below shall apply.

Policy on Materiality:

For the purpose of point no. (v) above, any other pending litigation involving the Company, its directors and joint venture(s) shall be considered “material” for the purpose of disclosure in the Offer Documents if: -

- i. Monetary threshold: Litigation where the value or expected impact in terms of value, exceeds the lower of the following:
 - (a) two percent of turnover, as per the latest annual restated financial statements; or
 - (b) two percent of net worth, as per the latest annual restated financial statements, except in case the arithmetic value of the net worth is negative; or
 - (c) five percent of the average of absolute value of profit or after tax, as per the last three annual restated financial statements; or
- ii. Subjective threshold: Such pending matters which are not quantifiable or do not exceed the monetary threshold, involving the Relevant Parties, whose outcome, in the opinion of the Board, would materially and adversely affect the Company's business, prospects, performance, operations, financial position, reputation or cash flows; or
- iii. 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 monetary threshold.



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 exceed 10% 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 auditors in preparing their audit report. Information for such 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 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.

4. 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.

5. 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 on behalf of
R. P. MULTIMETALS LIMITED
Ashish Singla
Managing Director

