

# **RAJNANDINI FASHION INDIA LIMITED**

**(Formerly known as Jainam Overseas Private Limited and  
Rajnandini Fashion India Private Limited)**

## **Policy on Identification of Group Companies, Identification of Material Outstanding Creditors And Identification of Material Outstanding Litigations**

**POLICY ON IDENTIFICATION OF GROUP COMPANIES,**  
**IDENTIFICATION OF MATERIAL OUTSTANDING CREDITORS AND**  
**IDENTIFICATION OF MATERIAL OUTSTANDING LITIGATIONS**

**INTRODUCTION**

Securities Exchange Board of India, *vide* its notification dated August 14, 2015, notified the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations (Fourth Amendment) Regulations, 2015 (“4 Amendment Regulations”) whereby SEBI

- i. modified the definition of the ‘group companies’;
- ii. modified the disclosure requirements pertaining to litigation involving the issuer company, its directors, its subsidiaries (if any), its promoters and its group companies; and
- iii. modified the disclosure requirement pertaining to the outstanding dues to creditors.

Accordingly, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“*Regulation*”) stands amended to this extent.

**OBJECTIVE**

In view of the 4 Amendment Regulations, the Board of Directors (“*Board*”) of **RAJNANDINI FASHION INDIA LIMITED (Formerly known as Rajnandini Fashion India Private Limited and Jainam Overseas Private Limited)** (“*Company*”) has adopted this policy and procedures for determination of:

- i. 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;
- ii. Material Creditors; and
- iii. Material Litigation.

This policy shall be called the ‘Policy on Identification of Group Companies, Material Creditors and Material Litigations’ (“*Policy*”).

**INTERPRETATION**

In this Policy, unless the context otherwise requires:

- a. Words denoting the singular shall include the plural and vice versa.
- b. References to the words “include” or “including” shall be construed without limitation.

**IDENTIFICATION OF THE GROUP COMPANIES**

As per schedule VI of the Regulation, the Company is required to define materiality policy, for identification and disclosure of “**Group Companies**” in its draft prospectus/prospectus as:

*“The words “group companies”, wherever they occur, shall include such companies as covered under applicable accounting standards and also other companies as considered material by the board of the issuer.”*

For the purpose of identification of “**Group Companies**”, our Company has considered those companies as our Group Companies which is covered under the applicable accounting standard (AS-18) issued by the Institute of Chartered Accountants of India as per Restated Financial Statements and also other companies as considered material by the Board of the issuer pursuant to the Regulation. The materiality Policy framed by the Board covers such Companies as Our Group Companies which fulfils both (i) and (ii) conditions as mentioned below:-

- i. Our Company and/or Promoters hold 10% or more of the equity share capital of such company; and
- ii. Our Company has entered into one or more transactions with such company during the last completed fiscal

year, which individually or cumulatively in value exceeds 5% of the total income of our Company for the last completed fiscal year as per the Restated Financial Information.

## **IDENTIFICATION OF MATERIAL OUTSTANDING CREDITORS**

Our Company is required to disclose pursuant to Para 12(A)(2) of Part A of Schedule VI of the Regulation in the Draft Prospectus/ Prospectus, the details of the outstanding dues of the Company and the nature and extent of the business operations undertaken by the Company, the dues owed by the Company to the small scale undertakings and other creditors exceeding 5% of our Company's trade payables as per the last Restated financial statements shall be considered as material dues for the Company.

The details of outstanding dues to such small-scale undertakings and other creditors shall be uploaded on the webpage of the Company as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

## **IDENTIFICATION OF MATERIAL OUTSTANDING LITIGATION**

In view of the nature and extent of operations of the Company, its directors, its promoters and its subsidiaries, the outstanding litigations involving the Company, its directors, its promoters and subsidiaries shall be considered material if the aggregate amount involved in such Individuals litigation exceeds 1% of profit after tax of the Company, as per the last restated financial statements of the Company or such litigations outcome could have a material impact on the business, operations, prospects or reputation of the Company. Further as per the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2025, other pending litigations shall also be classified as material based on the lower of the threshold criteria mentioned below-

- (i) As per the policy of Materiality defined by the board of directors of the issuer and disclosed in the offer document; or
- (ii) 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 of the issuer; or
  - b. Two percent of net worth, as per the latest annual restated financial statements of the issuer, except in case the arithmetic value of the net worth is negative; or
  - c. Five percent of average of absolute value of profit or loss after tax, as per the last three annual restated consolidated financial statements of the issuer.

## **IDENTIFICATION OF MATERIAL OUTSTANDING LITIGATIONS ON GROUP COMPANIES**

In view of the SEBI (ICDR) Regulations, 2018, such litigation involving Group Companies shall be considered as material if the amount involved in such litigation exceeds 10% of the Networth of our Company as per latest restated financial statements of the Company or such litigations whose outcome could have a material impact on the business, operations, prospects or reputations of the Company.

## **AMENDMENT**

Any change in the Policy shall be approved by the Board of the Company. The Board shall have the right to withdraw and/ or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

In case any provisions of the Policy are contrary to or inconsistent with the provisions of the Companies Act, 2013, rules framed thereunder and Listing Regulations ("Statutory Provisions"), the provisions of Statutory Provisions shall prevail.

## **DISSEMINATION OF THE POLICY**

The policy shall be hosted on the website of the Company i.e. <https://rfil.in>

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*Effective Date: August 06, 2025*  
*Date of Approval by Board of Directors: August 06, 2025*