

AJC JEWEL MANUFACTURERS LIMITED

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

AJC JEWEL MANUFACTURERS LIMITED

A. INTRODUCTION

This Policy has been formulated to define the materiality for identification of Group companies, Material Creditors and Material Litigations in respect of AJC Jewel Manufacturers Limited (the “Company”), pursuant to the disclosure requirements under Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time (“SEBI ICDR Regulations”).

This Policy has been adopted by the Board at its meeting held on April 15, 2025 and has come into effect on April 15, 2025.

B. APPLICABILITY AND OBJECTIVE

This policy shall be called the ‘**Policy on Identification of Group Companies, Material litigations and Material creditors**’ (“Policy”). The Policy shall come into effect from the date of its approval by our Board.

C. INTERPRETATION

In this Policy, unless the context otherwise requires:

- (i) words denoting the singular shall include the plural and vice versa.
- (ii) references to the words “include” or “including” shall be construed without limitation.

D. POLICY PERTAINING TO THE IDENTIFICATION OF GROUP COMPANIES

The policy with respect to the identification of the group companies of our Company shall be as follows:

Our 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:

"Group companies", shall include such companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed, as covered under the applicable accounting standards, and also other companies as considered material by the board of the issuer.

Policy on Materiality:

In our Board opinion a company shall be considered as Group Company only if: -

- (i) the Company has entered into one or more transaction with such companies which are identified as related parties in accordance with the Accounting Standards – 18 as per Restated Financial Statements and,
- (ii) shall include all such companies which are considered material by the Board of Directors.

E. IDENTIFICATION OF MATERIAL CREDITORS

Our Company is required to disclose in the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus, the details on materiality for outstanding dues to creditors and all other such transactions as the Board may deem fit.

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Policy on Materiality:

Our Board has formed the following policy on determination of material Creditors. The policy as approved by the Board is:-

All outstanding dues owed by Company to small scale undertaking and other creditors shall be considered as material by our Board from time to time.

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

The Board is authorized to display the details of such creditors on the website of our company.

F. IDENTIFICATION OF MATERIAL LITIGATION

Our Company is required to disclose in the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus all outstanding:

- (i) criminal proceedings;
- (ii) actions by statutory or regulatory authorities;
- (iii) taxation matters (indirect and direct taxes); and
- (iv) other pending material litigation, involving our Company, our Directors, our Promoters, KMPs, SMPs and our Group Companies.

Policy on Materiality:

Our Board has formed the following policy on determination of material Litigation. The policy as approved by the Board is :-

- i. All criminal proceedings, statutory or regulatory actions and taxation matters, involving our Company, Promoters, Directors, Group Companies, KMPs or SMPs as the case may be shall be deemed to be material;.
- ii. Further the Board considers b) Litigation where the value or expected impact in terms of value, exceeds the lower of the following:
 - a) 2% of turnover as per latest annual restated financial statements of the issuer;
 - b) 2% of net worth, as per the latest annual restated financial statements of the issuer, (Not to be considered if the arithmetic value of the net worth is negative);
 - c) 5% of the average of absolute value of profit or loss after tax, as per the last 3 annual restated financial statements of the issuer;

Further, “(1A)All criminal proceedings involving key managerial personnel and senior management of the issuer and also the actions by regulatory authorities and statutory authorities against such key managerial personnel and senior management of the issuer shall also be disclosed.”

AMENDMENT

The Board (including its duly constituted committees wherever permissible), shall have the power to amend any of the provisions of 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.

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