

MATERIALITY POLICY

INTRODUCTION

This policy (the “**Policy**”) has been formulated to define certain materiality policies in respect of the proposed initial public offering of the equity shares of Bharat Coking Coal 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 (the “**SEBI ICDR Regulations**”), in respect of the following:

- A. Identification and disclosure of legal proceedings involving the Company, its promoters, its directors (“**Relevant Parties**”), key managerial personnel and senior management, including ‘material legal proceedings’ involving the Relevant Parties; and
- B. Identification of outstanding dues to creditors of the Company.

APPLICABILITY

The board of directors of the Company (the “**Board**”) at their meeting held on May 27, 2025 discussed and approved this Policy. This Policy shall be effective from the date of its approval by the Board.

In this Policy, the term “**Offer Documents**” shall mean the draft red herring prospectus, the red herring prospectus and the prospectus, and includes 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**”), Registrar of Companies, Jharkhand at Ranchi (“**ROC**”) and/or stock exchanges where the equity shares of the Company are proposed to be listed, as applicable; and (ii) “**Restated Financial Information**” shall mean the restated financial information of the Company, as disclosed in the relevant Offer Document.

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

A. Identification and disclosure of legal proceedings involving the Relevant Parties, key managerial personnel and senior management, including ‘material legal proceedings’ involving the Relevant Parties

Requirement:

As per the requirements of the SEBI ICDR Regulations, the Company shall disclose the following outstanding litigations involving the Relevant Parties in the Offer Documents:

- (i) all criminal proceedings (including matters at FIR stage where no / some cognizance has been taken by any court or any other judicial authority);

- (ii) all actions (including all disciplinary actions, penalties and show-cause notices) by regulatory authorities and statutory authorities (including any judicial, quasi-judicial, administrative or enforcement authorities);
- (iii) all outstanding claims and proceedings related to direct and indirect taxes, in a consolidated manner, giving the number of cases and total amount involved in such cases; and
- (iv) other pending litigation (including civil litigation or arbitration proceedings) based on lower of the threshold criteria mentioned below –
 - a. As per policy of materiality defined by the Board and disclosed in the Offer Documents; or
 - b. Litigation (other than Coal India Limited) where the value or expected impact in terms of value, exceeds the lower of the following:
 - i. two percent of turnover, as per the latest annual financial year disclosed in the restated financial information of the Company; or
 - ii. two percent of net worth, as per the latest annual financial year disclosed in the restated financial information of the Company, except in case the arithmetic value of the net worth is negative; or
 - iii. five percent of the average of absolute value of profit or loss after tax, as per the last three annual financial years disclosed in the restated financial information of the Company.

Additionally, all disciplinary actions including penalties imposed by SEBI or stock exchanges against the promoters in the last five financial years preceding the relevant Offer Documents including outstanding actions shall also be disclosed in the Offer Documents.

Further, in accordance with the SEBI ICDR Regulations, the Company shall also disclose the following outstanding legal proceedings in the Offer Documents: (i) all criminal proceedings (including matters at FIR stage where no / some cognizance has been taken by any court or any other judicial authority) involving the key managerial personnel and senior management of the Company; and (ii) all actions (including all penalties and show-cause notices) by regulatory and statutory authorities (including any judicial, quasi-judicial, administrative or enforcement authorities) against the key managerial personnel and senior management of the Company.

Policy on materiality for identification of material outstanding litigation involving the Company, its promoters and directors (excluding criminal proceedings, actions by statutory / regulatory authorities, disciplinary actions imposed by SEBI or stock exchanges against the promoters and taxation matters):

Other than the litigations mentioned in points (i) to (iii) above, for the purpose of point (iv) above, any pending litigation / arbitration proceedings involving the Relevant Parties, the value or expected impact in terms of value of which, would be considered ‘material’ for the purpose of disclosure in the Offer Documents, if:

- (a) the aggregate monetary claim / amount in dispute, to the extent quantifiable, made by or against the Relevant Parties (other than Coal India Limited) in any such pending litigation / arbitration proceeding is equivalent to or above ₹ 578.24 millions;
- (b) the aggregate monetary claim / amount in dispute, to the extent quantifiable, made by or against Coal India Limited in any such pending litigation / arbitration proceeding is equivalent to or above ₹ 17399.00 millions in accordance with the materiality policy of Coal India Limited adopted pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 as amended from time to time.
- (c) any litigation which, irrespective of the amount involved in such litigation, involve the Relevant Parties and could have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of the Company; or
- (d) any such litigation where the decision in one case is likely to affect the decision in similar matters such that the cumulative amount involved in such matters exceeds the threshold as specified in (a) or (b) above, even though the amount involved in an individual matter may not exceed the threshold as specified in (a) or (b) above.

Pre-litigation notices received by the Relevant Parties, key managerial personnel and senior management from third parties (excluding governmental / statutory / regulatory / judicial authorities or notices threatening criminal action) shall, in any event, not be considered as litigation until such time that Relevant Parties, key managerial personnel and senior management are impleaded as defendants in proceedings initiated before any court, arbitral forum, tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

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 regulatory, judicial, quasi-judicial, administrative, 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. 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.

B. Identification of outstanding dues to creditors

Requirement:

As per the requirements of the SEBI ICDR Regulations, the Company shall make relevant disclosures in the Offer Documents and on the website of the Company for outstanding dues to creditors as follows:

- (i) based on the policy on materiality defined by the Board, details of the creditors which include the consolidated number of creditors and the aggregate amount involved, will be disclosed in the Offer Documents;
- (ii) consolidated information on outstanding dues to micro, small and medium enterprises and other creditors, separately giving details of number of creditors and amount involved will be disclosed in the Offer Documents; and
- (iii) complete details about outstanding over-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 outstanding dues to micro, small and medium enterprises (“MSME”) and other creditors, the disclosure will be based on information available with the Company regarding the status of the creditors as MSME 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.

Policy on materiality for identification of material creditors:

For identification of material creditors for disclosure in the Offer Documents in terms of point (i) above, a creditor of the Company shall be considered to be material, if the amounts due to such creditor is equivalent to or exceeds 5% of the trade payables of the Company as at the end of the latest period included in the restated financial information included in the Offer Documents.

GENERAL

It is clarified that the Policy 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 including for disclosure of material information by listed entities pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

This Policy shall be without prejudice to any disclosure requirements, which may be prescribed under the Companies Act, 2013 and the rules thereunder or by SEBI and/or such 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 additional disclosures that may arise on account of any investor or other complaints.

This Policy shall be subject to review / changes as may be deemed necessary and in accordance with regulatory amendments from time to time.