



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

This policy ("**Policy**") has been formulated to define the materiality criteria for identification of material litigation, material contracts and outstanding dues to material creditors in respect of the Issuer for the purposes of relevant disclosures in the **Offer Document (DP or DRHP)** pursuant to the requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018(as amended from time to time) ("**SEBI ICDR Regulations**").

Identification of 'Material' Litigation (excluding criminal proceedings, statutory/regulatory actions and taxation matters):

Requirement:

As per the requirements of SEBI ICDR Regulations, the Issuer shall disclose all the litigations involving the Issuer:

- (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 during the previous five financial years including outstanding action;
- (iv) Claims related to direct and indirect taxes, in a consolidated manner, giving the number of cases and total amount;
- (v) Other pending litigation - As per the policy of materiality defined by the Board / Issue Committee of the Issuer and disclosed in the DRHP/ RHP.

Policy on materiality:

Other than litigations mentioned in points (i) to (iv) above, any other pending litigation involving the Issuer shall be considered "material" for the purpose of disclosure in the Offer Document if the potential financial liability/monetary claim by or against the Issuer, in any such pending matter(s) is in excess :

- a. the aggregate amount involved in such individual litigation exceeds 2% of the annual turnover of the Company, as per the last audited financial statements; or
- b. where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in such single litigation individually may not exceed 2% of the annual turnover of the Company as per the last audited financial statements, if similar litigations put together collectively exceed 2% of the annual turnover of the Company; or
- c. litigations whose outcome could have a material impact on the business, operations, prospects or reputations of the Company and the Board or any of its committees shall have the power and authority to determine the suitable materiality thresholds for the subsequent financial years on the aforesaid basis or any other basis as may be determined by the Board or any of its committees.

Identification of 'Material' Creditors:

Kaushalya Logistics Limited

Regd. Off.: 19, Community Centre, First & Second Floor,
East of Kailash, New Delhi – 110065

Tel: +91 11 41326013, 41638121.

Email: info@kaushalya.co.in

Website: www.kaushalya.co.in

CIN NO. U45400DL2007PLC167397



Requirement:

As per the requirements of SEBI ICDR Regulations, the Issuer shall make relevant disclosures in the Offer Document for outstanding dues to creditors:

- i. Based on the policy on materiality defined by the board of directors of the issuer, details of 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;
- 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.

SEBI LODR Regulations also *inter-alia* mandate that the Offer Documents must contain disclosures pertaining to outstanding creditors:

Policy on materiality for Creditors:

For identification of material creditors, such creditors of the Issuer, shall be considered to be material for the purpose of disclosure in the Offer Document and on the website of the Issuer, if amounts exceed 5% of the Company's trade payables for the last audited financial statements.

Further, the details of outstanding dues to micro, small and medium enterprises and other creditors, separately giving details of number of cases and amount involved; shall be disclosed in the Offer Documents.

Consolidated information for such identified SSU/MSMEs and creditors shall be provided in the Offer Document in the following manner:

- a. consolidated amounts due to such entities; and
- b. aggregate number of entities.

General:

The above policy shall be subject to review/changes by the Issuer as may be deemed necessary and in accordance with regulatory amendments, from time to time and the Issuer shall make relevant disclosures as required by the applicable law from time to time.

Kaushalya Logistics Limited

Regd. Off.: 19, Community Centre, First & Second Floor,
East of Kailash, New Delhi – 110065

Tel: +91 11 41326013, 41638121.

Email: info@kaushalya.co.in

Website: www.kaushalya.co.in

CIN NO. U45400DL2007PLC167397