

**YATAYAT CORPORATION INDIA LIMITED**

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

## INTRODUCTION

This policy (the “**Policy**”) has been formulated to define the respective materiality policies in respect of Yatayat Corporation India 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 of **material companies** to be disclosed as Group Companies;
- B. Identification of **material litigation** (excluding criminal proceedings, actions by statutory/regulatory authorities, disciplinary actions against the promoters and taxation matters); and
- C. Identification of **material outstanding dues to creditors**.

## APPLICABILITY

This Policy shall be effective from the date of approval of the Policy by the board of directors of the Company (“**Board**”). In this Policy, the term “Offer Documents” shall mean the draft red herring prospectus, the red herring prospectus and the prospectus and 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, Ahmedabad at Gujarat (the “RoC”) and/or stock exchanges where the equity shares of the Company are proposed to be listed (the “Stock Exchanges”), as applicable.

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

### A. Identification of material companies to be disclosed as Group Companies

#### **Requirement:**

As per the requirements of the SEBI ICDR Regulations, “**Group companies**”, wherever the term occurs, shall include such companies (other than promoter(s) and subsidiary/ subsidiaries) with whom there have been related party transactions, reported during the period for which the financial information is required to be disclosed in the Draft Offer Document and Offer Document as per SEBI ICDR Regulations, as covered under the applicable accounting standards, and also other companies as considered material by the Board. The policy on materiality for determination of such companies as considered material by the Board, as below, shall be disclosed in the Draft Offer Document and Offer Document.

**Policy on Material Group Companies:**

For the purpose of disclosure in the Offer Documents, a company shall be considered material and will be disclosed as a 'Group Company' in the Offer Documents if:

- i) The Company has entered into related party transactions with companies (other than the Subsidiaries) as described under Ind AS 24 with such company during any of the financial periods being included in the Offer Documents; and
- ii) such companies that are a part of the promoter group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, and with which there were transactions in the most recent financial year or the relevant stub period which individually or in the aggregate, exceed 10% of the revenue from operations of the Company for the most recent financial year or relevant stub period, as per the restated consolidated financial statements.

**B. Identification of material litigation****Requirement:**

As per the requirements of the SEBI ICDR Regulations, the Company shall disclose the following outstanding litigations involving the Company, its directors, its promoters and its subsidiary (collectively the “**Relevant Parties**”) in the Offer Documents:

- (i) all outstanding criminal proceedings (including matters which are at first information report stage, even if no cognizance has been taken by any court or judicial authority);
- (ii) all outstanding actions by statutory authorities and regulatory authorities, including notices by such authorities;
- (iii) all outstanding claims related to direct and indirect tax matters to be disclosed in a consolidated manner, giving details of number of cases and total amount;
- (iv) any other pending litigation (including civil litigation or arbitration proceedings), involving the Relevant Parties, which is determined to be material as per the policy of materiality defined by the Board and disclosed in the Offer Documents.

**Policy on materiality:**

For the purpose of identification of para (iv) above, any pending litigation involving the Relevant Parties would be considered ‘material’ for the purpose of disclosure in the Offer Documents, if:

- (a) the aggregate claim or amount involved in such litigation, to the extent quantifiable, is in excess of the lower of:
  - (i) 5% of the average of absolute value of profit or loss after tax as per the last three financial years restated consolidated financial statements;
  - (ii) 2% of the net worth for the most recent financial year as per the latest restated consolidated financial statements; or
  - (iii) 2% of the turnover for the most recent financial year as per the latest restated consolidated financial statements.
- (b) the monetary amount involved is not quantifiable or do not exceed the monetary threshold, such litigation shall be considered 'material' only in the event that the outcome of such litigation, would, in the opinion of the Board, have a material adverse impact on the business, operations, performance, prospectus, reputation, results of operations, financial position or cash flows of the Company, irrespective of the amount involved in such litigation.
- (c) the decision in such litigation is likely to affect the decision in similar cases even though the amount involved in an individual litigation may not exceed the materiality threshold as per (i) above.

Further, disciplinary actions (including penalty) imposed by SEBI or recognized stock exchanges against the promoters in the last five financial years immediately preceding the date of the relevant Offer Document, including outstanding action shall be disclosed in the Offer Document.

It is clarified that for the purposes of the Materiality Policy, pre-litigation notices (other than those received from governmental, statutory, regulatory, judicial or tax authorities) shall, in any event, not be considered as litigation and evaluated for materiality, until such time that Relevant Parties are impleaded as defendants in litigation proceedings before any judicial/arbitral forum or unless decided otherwise by the board of directors of the Company.

### **C. Identification of material outstanding dues to creditors**

#### **Requirement:**

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

- (i) Based on the policy on materiality of the Board of the Company, 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; and

- (iii) Complete details about outstanding 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.

**Policy on Materiality with respect to outstanding dues to creditors:**

For the purpose of identification of material creditors for disclosure in the Offer Documents in terms of point (i) above, a creditor of the Company to whom an amount having a monetary value which exceeds 10% of the total trade payables of the Company for the most recently completed fiscal year as per the Restated Consolidated Financial Statements/ Consolidated Financial Statements shall be considered 'material' and disclosed in the Offer Documents.

It is clarified that the above policy on materiality of creditors shall be without prejudice to any disclosure requirements, which may be prescribed by SEBI and/ or such other applicable authority with respect to listed companies and 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 the website of the Company and should not be applied towards any other purpose.

\*\*\*\*

**Adopted by Board of Directors in its meeting held on 5<sup>th</sup> September 2025.  
Effective from 5<sup>th</sup> September 2025.**