

KANISHK ALUMINIUM INDIA LIMITED

(Formerly known as KANISHK ALUMINIUM INDIA PRIVATE LIMITED)

Registered Office: Plot No E-849 A, Fourth Phase Ricco Boranada, Jodhpur-342001, Rajasthan, India

CIN: U27109RJ2018PLC063198 Email Id: kaepljodhpur@gmail.com Contact No.9783800777

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

A. Introduction

The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 specifies the requirement for determination and disclosure of:

- a. 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;
- b. material litigation involving the issuer company, its directors, its subsidiaries (if any), its promoters and its group companies; and
- c. material outstanding dues to creditors.

B. Objective

In view of the SEBI ICDR Regulations, the Board of Directors ("**Board**") of Kanishk Aluminium India Limited ("**Company**") has adopted this Policy for determination of: (i) Group Companies (ii) Material Creditors; and (iii) Material Litigations. This policy shall be called the '**Policy on Identification of Group Companies, Material Litigations and Material Creditors**' ("**Policy**").

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, Material Litigations and Material Creditors

The Policy with respect to the identification of Group Companies, Material Litigation and Material Creditors shall be as follows:

Identification of Group Companies

The Company is required to disclose certain matters in relation to its "group companies" in the Draft Prospectus Red Herring / Red Herring Prospectus/ Prospectus. The SEBI Regulations define "group companies" as:

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

In the opinion of the Board of the Company, "Group Companies" and "Related Parties" shall be companies/entities as defined under the applicable Accounting Standards (being Accounting Standard-18) and also other companies considered material by the Board of Directors of the Company.

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Our Board believes that a company shall be considered material and will also be disclosed as a group company if such company is a Material Subsidiary as defined in Regulation 16 of SEBI (LODR) Regulations, 2016 or if:

- (i) such company forms part of the Promoter Group of the Company in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018; and
- (ii) where the Company has entered into one or more transactions with such company in the last audited financial year, cumulatively exceeding 10.00% of total revenue of the Company as per Restated Financials Statements.”

Identification of Material Litigation

In terms of the SEBI ICDR Regulations, the 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 and our group companies.

1. For the purposes of determining outstanding material litigation(s) involving the Company, one per cent (1%) of the profit after tax as per the latest audited financial statement, for the entire financial year, is to be considered as the appropriate threshold for determination of material litigations of the Company. The Company has identified material litigation matters on the following parameters:

For outstanding litigation which may, or may, not have any impact on the future revenues of our Company:

(a) where the aggregate amount involved in such individual litigation exceeds five per cent (1%) of the profit after tax as per the latest audited financial statement, for the entire financial year;

(b) where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in an individual litigation may not exceed one per cent (1%) of the profit after tax and amount involved in all of such cases taken together exceeds one per cent (1%) of the profit after tax as per the latest audited financial statement, for the entire financial year; and

(c) outstanding litigation which may not meet the parameters set out in (a) or (b) above, but if such litigation has an adverse outcome, it would materially and adversely affect the operations or financial position of our Company.

2. For the purposes of determining material litigation(s) involving our Directors, all outstanding litigation involving each Director shall be considered and if any such litigation has an adverse outcome and therefore, would materially and adversely affect the reputation, operations or financial position of the Company, it shall be considered as material litigation and accordingly, each of our directors shall identify and provide information relating to such outstanding litigation involving themselves.

Identification of Material Creditors

In terms of the SEBI ICDR Regulations, our Company is required to disclose in the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus, (i) the details of the outstanding dues to creditors based on the policy on materiality adopted by the Board and (ii) consolidated information on outstanding dues to small scale undertakings and other creditors, separately giving details of number of cases and amount

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involved. Additionally, the Company is required to provide complete details about outstanding dues to creditors as per (i) and (ii) above on the webpage of the Company with a web link thereto in the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus.

For identification of material creditors, any creditor of the Company shall be considered to be material, if the amount due to any one of them exceeds five per cent (5%) of trade payables as per the last audited financial statements of the Company.

E. Approval

The Policy shall come into effect from the date of its approval by the Board.

F. 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.
