

Policy for Identification of 'Material' Litigation

In terms of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“**SEBI ICDR Regulations**”), the Issuer shall disclose all the litigations involving the Company, its Directors, Promoters and Group Companies related to:

- i. All criminal proceedings;
- ii. All actions by statutory / regulatory authorities; and
- iii. Taxation - Separate disclosures regarding claims related to direct and indirect taxes, in a consolidated manner giving details of number of cases and total amount.

Besides the abovementioned litigations, other material pending litigations, as per policy of materiality defined by the Board of Directors of the Company, shall also be disclosed in the Offer Documents.

In this regard, all other pending litigation involving the Company, its Directors, Promoters and Group Companies other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered 'material' for the purpose of disclosure in the Offer Documents, where:

- i. where the aggregate monetary claim made by or against the Company, its Promoters, Directors and Group Companies, in any such pending litigation proceeding is in excess of ₹20 lakhs; or
- ii. 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 the above mentioned threshold, if similar litigations put together collectively exceed ₹20 lakhs, or
- iii. litigations whose outcome could have a material impact on the business, operations, prospects or reputation of the Company and the Board or any of its committees shall have the power and authority to determine 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.

In this Policy the term:

1. Company means Aruna Hotels Limited.
2. Offer Documents means Draft Letter of Offer and Letter of Offer.

The above policy was adopted in the BM dt 26.08.2020