

## SECTION VI: LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, there are no outstanding (i) criminal proceedings, (ii) actions taken by statutory or regulatory authorities, (iii) claims related to direct and indirect taxes, disclosed in a consolidated manner, giving the total number of claims and the total amount involved, or (iv) material civil litigation, in each case involving our Company, Subsidiary, Promoter or our Directors (collectively, the “**Relevant Parties**”). Further, there are no disciplinary actions including penalty imposed by the SEBI or stock exchanges against our Promoter in the last five Financial Years including any outstanding action.*

*In relation to (iv) above, our Board in its meeting held on January 30, 2024 has considered and adopted a policy of materiality for identification of material civil litigation (“**Materiality Policy**”). In terms of the Materiality Policy, any outstanding litigation involving our Company and Subsidiary, other than criminal proceedings and outstanding statutory and regulatory actions, which exceed 1% of the profit after tax as per the Restated Consolidated Financial Information for the Financial Year 2023 would be considered material for our Company. Our profit after tax as per the Restated Consolidated Financial Information for the Financial Year 2023 is ₹5,447.6 million. Accordingly, the following types of litigation involving the Relevant Parties have been considered material, and accordingly disclosed, as applicable, (a) where the aggregate amount involved in such individual litigation exceeds ₹54.5 million individually; (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 ₹54.5 million; (c) all outstanding litigation filed against the Company which are winding up petitions under the Companies Act, or are corporate insolvency resolutions processes under the Insolvency and Bankruptcy Code, 2016; (d) where the monetary liability is not quantifiable, but where the outcome of such legal proceedings could have a material adverse effect on the business, operations, financial position, prospects or reputation of our Company.*

*Further, in terms of the Materiality Policy, any outstanding litigation involving the Promoters and Directors other than criminal proceedings and outstanding statutory and regulatory actions, all outstanding civil litigation where an adverse outcome would materially and adversely affect the business, operations, prospects or financial position or reputation of the Company, would be considered as material.*

*It is clarified that for the purposes of the above, pre-litigation notices received by the Relevant Parties from third parties (excluding those notices issued by statutory/regulatory/tax authorities) shall, unless otherwise decided by our Board, not be considered as material until such time that the Relevant Parties, as applicable, is impleaded as defendant in litigation proceedings before any judicial forum.*

*Except as stated in this section, there are no outstanding material dues to creditors of our Company. For this purpose, our Board has considered and adopted a policy of materiality for identification of material outstanding dues to creditors (“**Creditors’ Materiality Policy**”). In terms of the Creditors’ Materiality Policy, outstanding dues to any creditor of our Company having monetary value exceeding ₹42.4 million, which is 5% of the consolidated total trade payables of our Company as on December 31, 2023, as per the Restated Consolidated Financial Information included in this Red Herring Prospectus, shall be considered as ‘material’. Accordingly, as on December 31, 2023, any outstanding dues exceeding ₹42.4 million have been considered as material outstanding dues for the purpose of disclosure in this section. Further, for outstanding dues to any party which is a micro, small or medium enterprise (“**MSME**”), the disclosure is based on information available with the Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Act, 2006, as amended, as has been relied upon by Statutory Auditors.*

#### **Litigation involving our Company**

##### ***Litigation against our Company***

##### **A. Criminal proceedings**

##### ***Criminal proceedings filed by certain customers of our Company***

1. Dhirendra Pratap Singh, a customer of our Company (the “**Complainant**”), has filed a first information report before Kotwali Nagar Police Station, Ayodhya district (“**Police Station**”), in September 2020 (“**FIR**”), against the branch manager and accountant of one of our branches in Faizabad, the zonal manager, Lucknow, and the former managing director and chief executive officer of our Company and the current Whole-Time Director and Executive Vice Chairman of our Company, Deo Shankar Tripathi (the “**Accused Persons**”). The Complainant had availed a loan of approximately ₹1.0 million from the Faizabad branch of our Company. In the FIR, the Complainant has alleged that offences under sections 406, 420, 504 and 506 of the Indian Penal Code, 1860 (“**IPC**”) have been committed by the Accused Persons in relation to continuous withdrawal of loan instalments from the Complainant’s savings account