POLICY ON IDENTIFICATION OF MATERIAL CREDITORS AND MATERIAL LITIGATIONS

A. INTRODUCTION

This Policy has been formulated to define the materiality for identification of outstanding material litigation and outstanding due to material creditors in respect of Dachepalli Publishers Limited and its Directors (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 may be amended from time to time ("**SEBI ICDR Regulations").**

B. APPLICABILITY AND OBJECTIVE

This policy shall be called the 'Policy on Identification of Material Creditors and Material Litigations' ("Materiality Policy").

The Board of Directors of the Company ("Board") at their meeting held on 07.05.2026 discussed and approved this Materiality Policy. This Materiality Policy shall be effective from the date of approval of this Materiality Policy by the Board.

The Company has adopted this Materiality Policy for identification and determination of: (i) material creditors; and (ii) material litigations pursuant to the provisions of SEBI ICDR Regulations details of which shall be disclosed in the offer documents.

In this Materiality Policy, the term "Issue Document" shall mean the Draft Prospectus and the prospects to be filed by the Company in connection with the proposed initial public offering of its equity shares with the Securities and Exchange Board of India, Register of Companies, Hyderabad, ("ROC") and stock exchange where the equity shares of the Company are proposed to be listed as applicable.

All other capitalized terms not specifically defined in this Materiality Policy shall have the same meanings to such terms in the Issue Documents.

In this Materiality 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 constructed without limitation.

C. POLICY PERTAINING OT THE IDENTIFICATION OF MATERIAL CREDTIORS AND MATERIAL LITIGATIONS

The Materiality Policy with respect to the identification of the material creditors and material litigations shall be as follows:

Identification of Material Creditors

Requirements:

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

(i) Based on the policy on materiality defined by the Board of Directors of the Company and as disclosed in the Issue Documents, disclosure for such creditors which include the consolidate number of creditor and the aggregate amount involved;

(ii) Consolidated information on outstanding dues to micro, small and medium enterprises and other creditor, separately giving details of number of cases and amount involved; and

(iii) Complete details about outstanding over 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 Issue Documents.

Policy on materiality:

For Identification of material creditors in terms of point (i) above a creditor of the Company shall be considered to be material for the purpose of disclosure in the Issue Documents, if amounts due to such creditors exceed 10% of the total consolidated trade payables of the Company as per the latest financial statements of the Company, as disclosed in the Issue Documents.

Disclosures in the Issue Documents regarding material creditors

(i) For creditors identified as 'material' based on the above mentioned Policy, information on outstanding due to such material creditors shall be disclosed in the Issue Documents along with the details of the material creditors, including the

consolidated numbers of creditors and the aggregate amount involved, as of the date of the latest financial statements included in the Issue Documents.

(ii) For outstanding dues to micro, small and medium enterprises ("MSMEs"), the disclosure will be based on information available with the Company regarding the status of the creditors as MSMEs as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended as has been relied upon by the statutory auditors in preparing their audit report. Information for such identified MSMEs creditors shall be provided in the Issue Documents in the following manner:

- Aggregate amount due to such MSME creditors; and
- Aggregate number of such MSME creditors

(iii) Complete details about outstanding over due to the material creditors along with the name and amount involved for each such material creditors shall be disclosed on the website of our Company with a web link in the Issue Documents. The Company shall make relevant disclosure before the Audit Committee/Board of Directors as required by applicable law from time to time.

Identification of Material Litigation

Requirement:

As per the requirements of SEBI ICDR Regulation the Company shall disclose all the litigations involving the Company, its material subsidiaries, Promoters, Directors of the Company related to:

(i) All criminal proceedings;
(ii) All actions by statutory /regulatory authorities;
(iii) Claims related to direct and indirect taxes, in a consolidated manner giving details of number of cases and total amount; and
(iv) Other material pending litigations-as per policy of materiality defined by the Board and disclosed in the Issue Documents.

Additionally, in terms of SEBI ICDR Regulations, the Company is required to disclose any outstanding litigations involving the Group Companies which may have a material impact on the Company. For the purpose of determining the outstanding litigations involving the Group Companies, which may have a material impact on the Company, the criteria specified under "policy on materiality" herein below shall apply.

Policy on materiality:

For the purpose of point number (iv) above, any other pending litigations involving the Companies, Subsidiaries Promoters and its Directors and shall be considered "material" for the purpose of disclosure in the Issue Documents if;

(i) The monetary amount the claim made by or against the Company, its subsidiaries, Promoters, Directors in any such pending litigations is equal to or in excess of 10% of the Profit After Tax of the Company as per the latest restated financial statements of the Company for a complete financial year, as included in the Issue Documents; or

(ii) where the decision in one case is likely to affect the decision in similar cases, even through the amount involved in individual litigations does not exceed the amount determined as per clause (a) above, and the amount involved in all of such cases taken together exceeds the amount determined as per clause (i) above; and

(iii) any such litigations which does not meet the criteria set out in (a) above and an adverse outcome in which would materially and adversely affect the operations or financial positions of the Company.

D. AMENDMENT

The Executive Chairman of the Company in consultation with the Board of Directors shall have the power to amend any of the provisions of this Materiality Policy, substitute any of the provisions with a new provision. This Materiality Policy shall be subject to review /changes as may be deemed necessary and in accordance with the regulatory amendments from time to time.

VINOD KUMAR DACHEPALLI
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VINOD KUMAR DACHEPALLI
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