



GALLARD STEEL LIMITED

Name of the Document	Policy on Identification of Material Litigations and Material Creditors
Effective Date	01st May, 2024
Approving Authority	Boards of Directors
Current Version	1.0

POLICY ON IDENTIFICATION OF MATERIAL LITIGATIONS AND MATERIAL CREDITORS

Approved by the Audit Committee and the Board of Directors at their meeting held on 01st May 2024 and effective from the same date.

1. Introduction

In terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations"), the Company is required to adopt a Policy on Materiality for:

- i. disclosure requirements pertaining to litigation involving the issuer company, its directors, its subsidiaries (if any), its promoters and its group companies; and
- ii. disclosure requirements pertaining to outstanding dues to creditors.

2. Objective

In view of the SEBI ICDR Regulations, the Board of Directors ("Board") of Gallard Steel Limited ("Company") has adopted this Policy for determining:

- i. material creditors; and
- ii. material litigations.

This Policy shall be called the **Policy on Identification of Material Litigations and Material Creditors** ("Policy") and shall come into effect from the date of its approval by the Board.

3. Interpretations

Unless the context otherwise requires:

- a) Words denoting the singular shall include the plural and vice versa.
- b) References to "include" or "including" shall be construed without limitation.

4. Policy Pertaining to the Identification of Material Litigation and Material Creditors

A. Identification of Material Litigation

1. In terms of the SEBI ICDR Regulations, the Company is required to have a Policy on Materiality for:
 - outstanding litigation involving the issuer company, its directors, its subsidiaries (if any), its promoters and its group companies; and
 - disclosure requirements pertaining to outstanding dues to creditors.

For determining outstanding material litigation(s) involving the Company, **One percent (1%) of the profit after tax** as per the latest audited financial statements for the entire financial year shall be treated as the threshold.

2. Parameters identified for determining material litigations:

- a) Outstanding litigation where the aggregate amount involved in such individual litigation exceeds **One percent (1%)** of the profit after tax as per the latest audited financial statements.
- b) Where the decision in one case is likely to affect decisions in similar cases, even if the amount involved in individual litigation does not exceed 5%, but collectively all such cases exceed **One percent (1%)** of the profit after tax.

c) Outstanding litigation that may not meet the above thresholds, but where an adverse outcome could materially and adversely affect the operations or financial position of the Company.

3. **Litigations involving Directors:**

All outstanding litigations involving Directors shall be reviewed. Any litigation that, if adversely resolved, could materially and adversely affect the reputation, operations, or financial position of the Company shall be treated as **material litigation**. Each Director shall identify and provide information relating to such litigation.

B. Identification of Material Creditors

In terms of the SEBI ICDR Regulations, the Company is required to disclose in the DRHP/RHP/Prospectus:

- i. details of outstanding dues to creditors based on the Policy adopted by the Board; and
- ii. consolidated information on outstanding dues to small scale undertakings and other creditors, including number of cases and the amount involved.

The Company must also provide complete details of outstanding dues to creditors on its website, with a weblink specified in the DRHP/RHP/Prospectus.

A creditor shall be considered material if the amount due to such creditor exceeds five percent (5%) of the trade payables as per the latest audited financial statements of the Company.

5. Amendment

The Board (including its duly constituted committees, wherever permissible) shall have the authority to amend, substitute, or replace any provisions of this Policy.

This Policy shall be deemed to be amended automatically to reflect any changes required pursuant to amendments to SEBI Regulations related to its subject matter.
