



GALLARD STEEL LIMITED

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

POLICY ON IDENTIFICATION OF MATERIAL LITIGATIONS AND MATERIAL CREDITORS

Approved by Audit Committee and Board of Directors Meeting held on 01st May 2024 and become applicable w.e.f from 01st May 2024.

<u>"Introduction"</u>	
	In terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations"), the Company, inter alia, is required to have 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 requirement pertaining to the outstanding dues to creditors.
<u>"Objective"</u>	
	In view of the SEBI ICDR Regulations, the Board of Directors ("Board") of Gallard Steel Limited ("Company") has adopted this Policy for the determination of (i) material creditors; and (ii) material litigations. This policy shall be called the 'Policy on Identification of Material Litigations and Material Creditors' ("Policy"). The Policy shall come into effect from the date of its approval by our Board.
<u>"Interpretations"</u>	
	In this Policy, unless the context otherwise requires: a) words denoting the singular shall include the plural and vice versa. b) references to the words "include" or "including" shall be construed without limitation.
<u>"Policy Pertaining to the Identification of Material Litigation and Material Creditors"</u>	
The Policy with respect to the identification of material litigation and material creditors shall be as follows:	
Identification of Material Litigation	
	1. In terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations"), the Company, inter alia, is required to have 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 requirement pertaining to the outstanding dues to creditors. a. For the purposes of determining outstanding material litigation(s) involving the Company, five percent (5%) 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: b. For outstanding litigation which may, or may, not have any impact on the future revenues of our Company:

	c. where the aggregate amount involved in such individual litigation exceeds five percent (5%) of the profit after tax as per the latest audited financial statement, for the entire financial year; d. where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in individual litigation may not exceed five percent (5%) of the profit after tax and the amount involved in all of such cases taken together exceeds five percent (5%) of the profit after tax as per the latest audited financial statement, for the entire financial year; and\ e. outstanding litigation that 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.
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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 the amount 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 percent (5%) of trade payables as per the last audited financial statements of the Company.

"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.
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