

ADITYA ULTRA STEEL LIMITED

MATERIALITY POLICY

[Pursuant to Schedule VI of Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulations, 2018 (as amended from time to time) (“SEBI ICDR Regulations”)]

ADITYA ULTRA STEEL LIMITED

CIN: U27100GJ2011PLC066552

Registered Office:

R.S. No.48P1 to 48P5,

8-A N.H, BHALGAM, RAJKOT,

WANKANER, GUJARAT – 363621.

MATERIALITY POLICY

This materiality policy (“Policy”) has been formulated to define the respective materiality thresholds in respect of Aditya Ultra Steel Limited (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 amended from time to time) (“SEBI ICDR Regulations”), in respect of the following:

- A. Identification of ‘material’ companies to be disclosed as group companies;
- B. Identification of ‘material’ outstanding litigation involving Company, its promoters, its directors, its subsidiary; and
- C. Identification of ‘material’ creditors

APPLICABILITY

The board of directors of the Company (“Board”) at their meeting held on March 01st, 2024 discussed and approved this, Policy. This Policy shall be effective from the date of its approval by the Board. In this Policy, “Offer Documents” means the draft red herring prospectus, the red herring prospectus and the prospectus (each along with any addenda or corrigenda, thereto) 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, the Registrar of Companies, Ahmedabad and the stock exchanges where the equity shares of the Company are proposed to be listed, as applicable. All other capitalised terms not specifically defined in this Policy shall have the same meanings ascribed to such terms in the Offer Documents.

A. Identification of material companies to be disclosed as group companies.

Requirement:

As per Regulation 2(1)(t) of the SEBI ICDR Regulations, group companies include (i) such companies (other than the promoters and subsidiaries of such company) with which there were related party transactions, during the period for which financial information is disclosed in the Offer Document(s), as covered under the applicable accounting standards; and (ii) other companies as considered ‘material’ by the Board.

With respect to point (ii), companies (other than the companies covered under (i) above) which are identified based on the policy on materiality specified below, shall be disclosed in the Offer Documents.

Policy on materiality:

For the purpose of disclosure in the Offer Documents, to be filed with the Securities and Exchange Board of India (the “SEBI”) in connection with the proposed issuance of fresh equity shares through an initial public offer (such documents, the “Offer Documents”) as prescribed by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations, 2018, as amended (the “SEBI ICDR Regulations”), the companies which are mentioned in the list of related parties of the Company under Accounting Standards issued by the Institute of Chartered Accountants

of India on the basis of the financial statements to be included in the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, or any other offer documents, including other documents related to the proposed initial public offering (collectively "Offer Documents"), and any other "material" group companies as considered by the Board of Directors (other than those covered under the schedule of related party transactions as per the financial statements shall be considered as group companies of the Company for the purpose of disclosure in the Offer Documents to be filed with SEBI, Stock Exchange(s) and Registrar of Companies in relation to the Company's proposed Initial Public Offering.

Information about Group Companies, identified based on the above approach, shall be disclosed in the Offer Documents in accordance with SEBI ICDR Regulations.

B. Identification of 'material' litigation

Requirement:

As per the requirements of the SEBI ICDR Regulations, the Company must disclose the following outstanding litigation involving the Company, its Subsidiary, directors and promoters (collectively "Relevant Parties"):

- (i) all criminal proceedings (including matters at FIR stage where no/some cognizance has been taken by any court);
- (ii) all outstanding actions by regulatory authorities and statutory authorities;
- (iii) disciplinary action including penalty imposed by SEBI or stock exchanges against the promoters in the last five financial years preceding the relevant Offer Document including any outstanding action;
- (iv) claims related to direct and indirect taxes, in a consolidated manner, giving the number of cases and total amount; and
- (v) other pending litigation or arbitration proceedings as per policy of materiality defined by the Board.

Further, as per the requirements of SEBI ICDR Regulations, the Company shall also disclose such outstanding litigation involving the group companies, the outcome of which has a material impact on the Company.

Pre-litigation notices received by any of the Relevant Parties from third parties (excluding those notices issued by statutory / regulatory / governmental / tax / judicial/ quasi-judicial authorities or notices threatening criminal action) shall, unless otherwise decided by the Board, not be considered as litigation and accordingly not be disclosed in the Offer Documents until such time that Relevant Parties, as applicable, are impleaded as defendants in litigation proceedings before any judicial or arbitral forum.

Policy on materiality:

1. The aggregate amount involved in such individual litigation exceeds 5% of profit after tax of the Company, as per the last annual audited financial statements; or
2. 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 5% of the profit after tax of the Company as per the last audited financial statements, if similar litigations put together collectively exceed 5% of the profit after tax of Company; or

3. litigations whose outcome could have a material impact on the business, operations prospects or reputations of the Company and the Board or any of its committees shall have the power and authority to determine the suitable materiality thresholds for the subsequent financial year on the aforesaid basis or any other basis as may be determined by the Board or any of its committees

Further, any tax litigation which involves a claim amount greater than the materiality thresholds as defined above, will also be disclosed individually.

C. Identification of material creditors

Requirement:

As per the requirements of the SEBI ICDR Regulations, the Company shall make relevant disclosures in the Offer Documents and on the website of the Company for outstanding dues to creditors as follows:

- i. based on the policy on materiality defined by the Board, details of the creditors which include the consolidated number of creditors and the aggregate amount involved will be disclosed in the Offer Documents.
- ii. consolidated information on outstanding dues to micro, small and medium enterprises (“MSME”) and other creditors, separately giving details of number of cases and amount involved will be disclosed in the Offer Documents; 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 Offer Documents.

For outstanding dues to MSME and other creditors, the disclosure will be based on information available with the Company regarding the status of the creditors as MSME as defined under Section 2 read with Section 7 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.

Policy on materiality:

For identification of a material creditor in terms of (i) above, a creditor of the Company shall be material for the purpose of disclosure in the Offer Documents and the website of the Company, if amounts due to such creditor is exceeding 5% of the Company's trade payables for the last annual audited financial statements.

GENERAL

It is clarified that this Policy is solely for the purpose of disclosure requirements prescribed under the SEBI ICDR Regulations with respect to the Offer Documents, and should not be applied towards any other purpose, including for disclosure of material information by listed entities pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

The Policy shall be without prejudice to any disclosure requirements, which may be prescribed under the Companies Act, 2013 and the rules thereunder or by SEBI and/ or such other regulatory or statutory authority with respect to listed companies or disclosure requirements as may be prescribed by SEBI through its observations on the Offer Documents, or additional disclosures that may arise on account of any investor or other complaints.

This Policy shall be subject to review/changes as may be deemed necessary and in accordance with regulatory amendments from time to time.

Certified true copy//
Aditya Ultra Steel Limited

Varun Manojkumar Jain
Non-Executive Director
DIN: 03502561