



Policy for Determining Material Subsidiaries

[Pursuant to Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]



Policy Title
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Material Subsidiaries

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23-12-2024

Board of Directors vide Resolution dated
23-12-2024

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23 DECEMBER 2024

A-One Steel India Limited

**(Formerly Known As A-One Steels India Private Limited And A-
One Steel And Alloys Private Limited)**

A ONE HOUSE, No. 326, CQAL Layout, Ward No. 08, Sahakar Nagar, Bangalore 560092



1. Objective

The objective of this Policy is to determine the Material Subsidiaries of the Company and to provide the governance framework for such subsidiaries, as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI Listing Regulations"], covering the following:

- i) meaning of "Material Subsidiary";
- ii) requirement of Independent Director in certain Unlisted Material Subsidiaries;
- iii) restriction on disposal of shares of a Material Subsidiary;
- iv) restriction on transfer of assets of a Material Subsidiary;
- v) secretarial audit by Material Unlisted Subsidiaries incorporated in India; and
- vi) disclosure requirements as prescribed under the SEBI Listing Regulations.

2. Purpose of this Policy

The Board of Directors ("Board") of the Company has adopted this policy for determining material subsidiaries ("Policy") in accordance with the provisions of Regulation 16(1)(c) of the Listing Regulations. The Company shall follow all the compliance requirements relating to material subsidiaries as legally required. This Policy sets out criteria for determining material subsidiaries.

This Policy sets out criteria for the determination of material subsidiaries.

1. Definitions

"Act"	means the Companies Act, 2013, and the rules made thereunder (including any statutory modification/re-enactment thereof for the time being in force).
"Company"	means A-One Steels India Limited.
"Control"	shall include the right to appoint the majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholder agreements or voting agreements or in any other manner.
"Material subsidiary"	means, unless otherwise expressly defined, a subsidiary whose income or net worth (i.e. paid-up share capital and free reserves) exceeds ten per cent (10%) of the consolidated income or net worth, respectively, of the



Company and its subsidiaries in the immediately preceding accounting year.

"SEBI Listing Regulation" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the circulars issued thereunder and amendments thereto.

"Subsidiary" shall have the same meaning defined under Section 2(87) of the Act.

Any other term not defined herein shall have the same meaning ascribed to it under the Act, the SEBI Listing Regulations or any other relevant law/regulation applicable to the Company.

3. Independent Director on the Board of an Unlisted Material Subsidiary

At least one independent director on the Company's board of directors shall be a director on the board of directors of an Unlisted Material Subsidiary, whether incorporated in India or not.

For this provision, notwithstanding anything to the contrary contained in Regulation 16 of the SEBI Listing Regulations, the term "Material Subsidiary" shall mean a subsidiary whose income or net worth exceeds **twenty per cent (20%)** of the consolidated income or net worth, respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

4. Restrictions on disposal of shares of a Material Subsidiary

The Company shall not dispose of shares in its Material Subsidiary resulting in the reduction of its shareholding (either on its own or together with other subsidiaries) to **less than fifty per cent (50%)** or cease the exercise of control over the **subsidiary without passing a special resolution in its general meeting**, except in cases where such divestment is made under a scheme of arrangement duly approved by a Court / Tribunal, or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognised stock exchanges within one day of the resolution plan being approved.



5. Restriction on transfer of assets of a Material Subsidiary

Selling, disposing, and leasing of assets amounting to **more than twenty per cent (20%)** of the assets of a Material Subsidiary on an aggregate basis during a financial year **shall require prior approval of shareholders** of the Company by way of **special resolution** unless the sale/disposal/lease is made under a scheme of arrangement, duly approved by a Court / Tribunal, or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognised stock exchanges within one day of the resolution plan being approved.

6. Secretarial Audit by Material Unlisted Subsidiaries incorporated in India

The Company and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its Annual Report, a secretarial audit report, given by a company secretary in practice, in such form as may be specified with effect from the year ended March 31, 2021 for company and for subsidiary from the year ended March 31, 2022..

7. Disclosures

As required under the SEBI Listing Regulations, this Policy shall be disclosed on the Company's website, www.aonesteelgroup.com, and a web link thereto shall be provided in the Annual Report.

8. Review of the Policy

This Policy shall be reviewed as deemed necessary or in accordance with any regulatory amendments affecting it.

9. Scope and Limitation

In the event of any conflict between the provisions of this Policy and the SEBI Listing Regulations or the Act or any other relevant legislation/ regulation applicable to the Company, the provisions of the SEBI Listing Regulations or the Act or such other relevant law/regulation shall prevail over this Policy.

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