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# Policy for Determining Material Subsidiaries

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



Policy Title	Material Subsidiaries
Version No	1.0
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Authorised By	Board of Directors vide Resolution dated 23-12-2024
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23 DECEMBER 2024

**A-One Steels 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

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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:

- (a) identifying the materiality thresholds for considering a subsidiary as ‘material’
- (b) identifying the materiality thresholds for considering an unlisted subsidiary, whether incorporated in India or not as ‘material’ for the purpose of appointment of Independent Director;
- (b) Corporate governance requirements with respect to material subsidiary of listed entity.

## 2. Purpose of this Policy

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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 turnover or net worth exceeds **ten per cent (10%)** of the consolidated turnover or net worth, respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

- “Net worth”** Net worth as defined in sub-section (57) of section 2 of the Companies Act, 2013. For the purposes of this policy and the corporate governance requirements stated herein, only positive net worth of subsidiaries will be taken into consideration for determination of material subsidiary / unlisted material subsidiary.
- “Independent Director”** Independent Director as defined under regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- “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.

All the words and expressions used in this Policy, unless defined, shall have meaning respectively assigned to them under the Listing Regulations and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder, as amended, from time to time.

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

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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 turnover or net worth exceeds **twenty per cent (20%)** of the consolidated turnover 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

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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

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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

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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.

## 7. Disclosures

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

## 8. Review of the Policy

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

## 9. Scope and Limitation

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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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