

**MSP STEEL & POWER LIMITED**  
**POLICY FOR DETERMINING MATERIAL**  
**SUBSIDIARIES**

## **POLICY FOR DETERMINING MATERIAL SUBSIDIARIES**

### **1. Preamble**

Policy for Determining Material Subsidiary ("The Policy") has been framed by the Company pursuant to Regulation 16 (c) of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 to ensure compliances.

### **2. Definitions:**

- (i) **"Act"** means Companies Act, 2013 including any statutory modification or re-enactment thereof;
- (ii) **"Subsidiary Company"** is as defined under clause 2(87) of the Act;
- (iii) **"Holding Company"** is as defined under clause 2(46) of the Act;
- (iv) **"Company"** means MSP Steel & Power Limited.
- (v) **"Policy"** means this Policy, as amended from time to time.

### **3. Basis of Determining Material Subsidiary**

A Subsidiary shall be considered material whose:

- (i) Net worth exceeds 20% of the consolidated net worth of the Company as per the audited balance sheet of the previous financial year; or
- (ii) Income exceeds 20% of the consolidated income of the Company as per the audited balance sheet of the previous financial year.

### **4. Requirement regarding Material Non-Listed Indian Subsidiary**

At least one Independent Director on the Board of the Company shall be a Director on the Board of the material non-listed Indian subsidiary company.

### **5. Requirement regarding Material Non-Listed Indian Subsidiary**

- The Company shall not dispose of shares in its Material Subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than fifty percent (50%) or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting except in such cases where divestment is under a scheme of arrangement duly approved by a court/ tribunal.
- Selling, disposing and leasing of assets amounting to more than twenty percent (20%) of the assets of the 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.

### **6. Review of the Policy**

This Policy shall be subject to review as may be deemed necessary as per any regulatory amendments.

**Note:** MSP STEEL & POWER LTD. has no material subsidiary till date.