



**STEEL AUTHORITY OF INDIA LIMITED**

**POLICY FOR MATERIAL  
SUBSIDIARY COMPANY(IES)**



# STEEL AUTHORITY OF INDIA LIMITED

## POLICY FOR MATERIAL SUBSIDIARIES

### 1. PURPOSE

This Policy for Material Subsidiaries (the Policy) is framed in accordance with the requirements stated under Clause 49 of the Listing Agreement with Stock Exchange(s) (Listing Agreement) and is intended to ensure governance of Material Subsidiary Companies of Steel Authority of India Limited (SAIL).

The Board of Directors of SAIL has adopted this Policy.

### 2. DEFINITIONS

**“Audit Committee”** means the Audit Committee of the Board constituted from time to time under the provisions of Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013.

**“The Material Subsidiary Company”** means a Material Subsidiary Company of SAIL within the meaning of Clause 49 (V) of the Listing Agreement, as amended from time to time. Presently, Material Subsidiary Company of SAIL is a Subsidiary Company of SAIL:

- a. in which investment of SAIL exceeds 20% of its consolidated net worth as per the audited balance sheet of the previous financial year; or



- b. which has generated 20% of the consolidated income of SAIL during the previous financial year,.

**“Subsidiary Company”** means subsidiary company as defined in Section 2(87) of the Companies Act, 2013.

### **3. PROCEDURE AND POLICY**

- i. SAIL shall not, without the prior approval of the Members by Special Resolution in its General Meeting, dispose of shares in its Material Subsidiary Company which would reduce its shareholding (either on its own or together with other Subsidiaries) to less than 50% or cease the exercise of control over the Material Subsidiary Company except where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal.
- ii. SAIL shall not, without the prior approval of the Members by Special Resolution, sell, dispose-off or lease the assets amounting to more than 20% of the assets of the Material Subsidiary on an aggregate basis during a financial year, unless the same is made under a scheme of arrangement duly approved by a Court/ Tribunal.



#### **4. DISCLOSURE**

- 4.1 This “Policy on Material Subsidiaries” shall be disclosed on the web-site of the Company and a web link thereto shall be provided in the Annual Report of the Company.
- 4.2 Adequate disclosure relating to the subsidiary companies, as may be required under the provisions of the Companies Act, 2013 and the Listing Agreement, would be made by SAIL.

#### **5. AMENDMENTS**

Chairman is authorized to make any amendments to the Policy in consultation with the Chairman, Audit Committee and the Board shall be informed of such amendments subsequently.

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