STEEL STRIPS GROUP

STEEL STRIPS WHEELS LIMITED

POLICY FOR DETERMINING "MATERIAL" SUBSIDIARIES

PREAMBLE

This policy is called "Steel Strips Wheels Limited (SSWL) – Policy For Determining Material Subsidiaries" (hereinafter referred to as "this Policy") and has been framed in accordance with the provisions of Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), 2015 {SEBI (LODR) Regulations, 2015}.

This Policy will be used to determine Material Subsidiaries of the SSWL and to provide governance framework for such subsidiaries.

In view of the above, the Board of Directors of the SSWL (Board) was pleased to approve this Policy at its meeting held on 17th January, 2024.

DEFINITIONS

- **"Act"** means the Companies Act, 2013 including the rules, schedules, clarifications and guidelines issued by the Ministry of Corporate Affairs from time to time.
- **"Audit Committee"** shall mean the Audit Committee of the Board of Directors of the company, under the provisions of the Act and SEBI (LODR) Regulations, 2015.
- **"Board"** refers to the Board of Directors of Steel Strips Wheels Limited.
- **"SSWL or Company"** refers to Steel Strips Wheels Limited, having its Registered Office at Village Somalheri/ Lehli, P.O. Dappar, Tehsil Derabassi, Distt. S.A.S Nagar, Mohali (Punjab) 140506 and Corporate office at SCO-49-50, Sector-26, Chandigarh-160019.
- **"Subsidiary(s)"** shall mean subsidiaries of the Company as defined under the Act and as per the applicable accounting standards.

Words, terms and expressions used and not defined in these rules or SEBI (LODR) Regulations, 2015 but defined in the Act shall have the same meaning respectively assigned to them in the Act.

IDENTIFICATION OF 'MATERIAL' SUBSIDIARY:

In accordance with the SEBI(LODR) Regulations, 2015, a subsidiary shall be considered material if, its income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

GOVERNANCE FRAMEWORK:

- The Company shall nominate at least one independent director (appointed on the Board of directors of SSWL) as a director on the board of the unlisted Material Subsidiary, whether incorporated in India or not and whose income or net worth exceeds 20 percent of the consolidated income or net worth respectively, of SSWL and its subsidiaries in the immediately preceding accounting year.
- The Audit Committee of SSWL shall periodically review the financial statements, in particular, the investments made by the unlisted subsidiary company.
- The minutes of the Board Meetings of the unlisted subsidiary company shall be placed before the Board of Directors of the SSWL.
- The management of the unlisted subsidiary shall periodically bring to the attention of the Board of Directors of the SSWL, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company.

  The term "significant transaction or arrangement" shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10 percent of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding accounting year.

- SSWL shall obtain prior approval of shareholders by way of special resolution, if the disposal of shares in its material subsidiary (either on its own or together with other subsidiaries) results in reduction of its shareholding, to less than or equal to 50 percent or the Company ceases the exercise of control over such subsidiary; Such approval shall not be required if the disinvestment is:
  - 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 recognized stock exchanges within one day of the resolution plan being approved.

- The Company shall obtain prior approval of shareholders by way of special resolution, if any sale, disposal and leasing of assets amounting to more than 20 percent of the assets of the material subsidiary on an aggregate basis during a financial year; Such approval shall not be required, if such sale, disposal, lease of assets is:
  - 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 recognized stock exchanges within one day of the resolution plan being approved.

- Every material unlisted subsidiary incorporated in India shall undertake secretarial audit and the secretarial audit report shall be annexed with the annual report of the Company.

The Company, in addition to the aforesaid guidelines, shall follow such governance procedures in relation to Subsidiaries as may be outlined in the SEBI(LODR) Regulations, 2015 and the Act from time to time.

Review
This policy may be reviewed periodically by the Board. Any changes or revisions to the policy will be communicated to shareholders in a timely manner.

Disclosure
The policy will be available on the Company’s website.

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