VIBHOR STEEL TUBES LIMITED

POLICY ON MATERIAL SUBSIDIARIES

Approved	Adopted/ Updated on
Recommended by the Audit Committee and approved by the Board	**21.09.2023**
Recommended by the Audit Committee and approved by the Board	**07.02.2025**

1. **Introduction**

The Board of Directors **(the "Board")** of Vibhor Steel Tubes Limited **(the "Company"),** has adopted this Policy for determination of "Material Subsidiaries" at its meeting held on 21.09.2023 This Policy is in accordance with Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (the "Listing Regulations"). The primary objective of this policy is to determine material subsidiaries of the Company

The Board, on the recommendation of the Audit and Risk Management Committee, may review and amend this policy from time to time.

2. **Policy Objective**

The objective of this policy is to determine the material subsidiaries of Vibhor Steel Tubes Limited in accordance with Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including amendments thereof).

3. **Definitions**

a. **"Act"** means Companies Act, 2013 and Rules made thereunder.

b. **"Audit and Risk Management Committee" or "Committee"** means Audit Committee constituted by the Board of Directors of the Company under Section 177 of the Companies Act, 2013 and the provisions of Listing Regulations, as amended from time to time.

c. **"Board of Directors"** or **"Board"** means the Board of Directors of Vibhor Steel Tubes Limited, as constituted from time to time.

d. **"Company"** means Vibhor Steel Tubes Limited.

e. **"Control"** shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

f. **"Independent Director"** means a director of the company, not being a Whole-me director and who is neither a promoter nor belongs to the promoter group of the company and who satisfies the criteria for independence laid down under sec on 149 (6) of the Companies Act, 2013 and regulation 16(1)(b) of Listing Regulations.

g. **"Insolvency Code"** means Insolvency Code as defined under Regulation 2(1)(na) of Listing Regulations, as amended from time to time.

h. **"Management"** means the Senior Management and Key Managerial Personnel of Vibhor Steel Tubes Limited.

i. **“Material Non- listed Indian Subsidiary” “Material Non-listed Indian Subsidiary” means a material subsidiary which is incorporated in India and is not listed on the Indian Stock Exchanges.**

j. **“Policy”** means policy on determination of Material Subsidiary of the Company.

k. **“Significant Transaction or Arrangement”** shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten 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.

l. **"Subsidiary Company" or “Subsidiary”** means subsidiary company as defined under Section 2(87) of the Companies Act, 2013 and the rules made thereunder.

4. Policy

a) At least one Independent director on the Board of Directors of the Company shall be a director on the Board of directors of the Unlisted Material Subsidiary, whether incorporated in India or not.

b) For the above mentioned clause 4(a), the term Material Subsidiary shall mean subsidiary, whose turnover or net worth exceeds (20%) twenty percent of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

c) The Company, along with its unlisted Material Subsidiaries incorporated in India shall undertake a secretarial audit and annex with its annual report, a secretarial audit report, given by a company secretary in practice.

d) The management shall present to the Audit Committee annually, the list of subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board.

e) The Company shall not without the prior approval of the Shareholders by way of Special resolution.

a. Dispose off shares in its Material Subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50% (fifty percent) 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 recognized stock exchanges within one day of the resolution plan being approved.

b. Sell, dispose or lease of assets amounting to more than 20% (twenty percent) of the assets of the material subsidiary on an aggregate basis during a financial year shall a require a prior approval of the Shareholder by way of a 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 recognized stock exchanges within one day of the resolution plan being approved.

Further nothing contained in this sub-regulation shall be applicable if such sale, disposal or lease of assets is between two wholly owned subsidiaries of the listed entity.

i) Requirements regarding unlisted subsidiary companies:

i. The Audit and Risk Management Commi ee of the Company shall also review the financial statements, in par cular, the investments made by an unlisted subsidiary of the company;

ii. The minutes of the mee ng of the board of directors of an unlisted subsidiary of the company shall be placed at the mee ng of the board of the company; and

iii. The management of the unlisted subsidiary of the company should periodically bring to the no ce of the board, a statement of all Significant Transac ons and Arrangements entered into by the unlisted subsidiary.

5. Disclosures

This Policy shall be disclosed on the Company's website www.vstlindia.com and a web link thereto shall be disclosed in the Annual Report of the Company.

6. Amendments to the Policy

The Board of Directors can amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities are not consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

7. Effective Date

The Policy shall be effective from the date of listing of the equity shares of the Company on Stock Exchange(s).

8. LIMITATION

In the event of any conflict between the provisions of this Policy and the Listing Regulations / the Companies Act, 2013 or any other statutory enactments, rules, the provisions of the SEBI Listing Regulations / the Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

9. Penalty for Non-Adherence of the clauses of the Policy

Non – Adherence to any of the Clause as mentioned in this Policy will attract penalty of one lakh rupees which may extend to one crore rupees as prescribed under Section 15 HB of Securities and Exchange Board of India Act, 1992