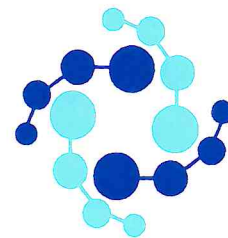


Steelman Telecom Limited

(Formerly known as Steelman Telecom Private Limited)



POLICY FOR DETERMINING MATERIAL SUBSIDIARY

1. INTRODUCTION

Steelman Telecom Limited ("Company") has formulated this Policy for Determining Material Subsidiary ("Policy") pursuant to Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("SEBI LODR Regulations").

The Company is a company whose specified securities are listed on the **SME Platform of BSE Limited**.

This Policy has been framed to establish the criteria for determining a "Material Subsidiary" of the Company and to provide a framework for monitoring its subsidiaries in accordance with the provisions of the SEBI LODR Regulations and other applicable laws.

The applicability of specific provisions relating to corporate governance and subsidiaries shall be determined having regard to the Company's status as an **SME-listed entity** and the exemptions provided under Regulation 15(2) of the SEBI LODR Regulations, as amended from time to time.

The Policy shall be read together with the SEBI LODR Regulations, the Companies Act, 2013 and the rules made thereunder, as applicable.

2. OBJECTIVE OF THE POLICY

The objectives of this Policy are:

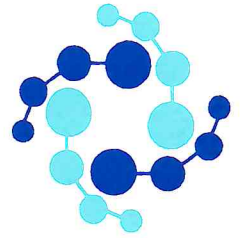
- i. to lay down the criteria for determining a **Material Subsidiary** of the Company;
- ii. to provide a framework for identification and monitoring of Material Subsidiaries;
- iii. to specify the requirements applicable to subsidiaries under the SEBI LODR Regulations and other applicable laws;
- iv. to distinguish the provisions which are applicable to the Company from those from which the Company, being an SME-listed entity, is exempted under Regulation 15(2) of the SEBI LODR Regulations; and
- v. to provide for review and amendment of the Policy in accordance with amendments to applicable laws, regulations, circulars and guidelines.

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3. DEFINITIONS

a) "Board"

"Board" or "Board of Directors" means the Board of Directors of Steelman Telecom Limited.

b) "Company"

"Company" means **Steelman Telecom Limited**.

c) "Control"

"Control" shall have the meaning assigned to it under the applicable provisions of the SEBI LODR Regulations and/or the Companies Act, 2013, as amended from time to time.

d) "Independent Director"

"Independent Director" shall have the meaning assigned to it under the Companies Act, 2013 and the applicable provisions of the SEBI LODR Regulations.

e) "Subsidiary"

"Subsidiary" shall have the meaning assigned to it under the Companies Act, 2013 and the applicable provisions of the SEBI LODR Regulations.

f) "Material Subsidiary"

For the purposes of this Policy and Regulation 16(1)(c) of the SEBI LODR Regulations, "**Material Subsidiary**" means a subsidiary, whose **turnover or net worth exceeds ten percent (10%) of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.**

g) "Material Unlisted Subsidiary"

"Material Unlisted Subsidiary" means an unlisted subsidiary which qualifies as a Material Subsidiary under the criteria specified in this Policy.

h) "Significant Transaction or Arrangement"

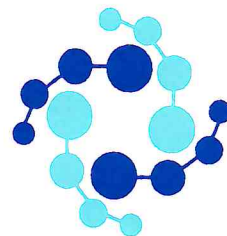
"Significant Transaction or Arrangement" shall mean an individual transaction or arrangement that exceeds or is likely to exceed **10% of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding accounting year, as contemplated under Regulation 24 of the SEBI LODR Regulations.**

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Provided that, since Steelman Telecom Limited is listed on the SME Platform of BSE Limited, Regulation 24 is presently not applicable to the Company pursuant to Regulation 15(2)(b) of the SEBI LODR Regulations. Accordingly, the aforesaid requirement shall not be construed as a mandatory SEBI LODR requirement for the Company.

The Company may, however, monitor such transactions as part of its internal governance and oversight framework.

4. APPLICABILITY OF SEBI LODR PROVISIONS TO SME-LISTED COMPANY

4.1 SME Exemption

Steelman Telecom Limited has listed its specified securities on the **SME Platform of BSE Limited**.

Accordingly, pursuant to **Regulation 15(2)(b)** of the SEBI LODR Regulations, the corporate governance provisions specified in Regulations **17, 17A, 18, 19, 20, 21, 22, 24, 24A, 25, 26, 26A and 27**, together with the specified provisions of Regulation 46 and Paras C, D and E of Schedule V, are not applicable to the Company merely by virtue of its SME listing.

4.2 Specific position regarding Regulation 24

Since Regulation 24 is specifically covered by the SME exemption under Regulation 15(2)(b), the following requirements contained in Regulation 24 are **not mandatorily applicable to Steelman Telecom Limited solely by virtue of its SME listing**, including:

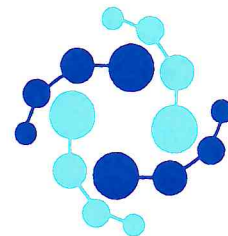
- appointment of an Independent Director of the listed entity on the Board of an unlisted Material Subsidiary under Regulation 24(1);
- review of financial statements/investments of subsidiaries under Regulation 24(2);
- placing of minutes of Board meetings of unlisted subsidiaries before the Board of the listed entity under Regulation 24(3);
- bringing significant transactions and arrangements of unlisted subsidiaries to the Board under Regulation 24(4);
- restriction on disposal of shares of a Material Subsidiary under Regulation 24(5); and
- restriction on disposal/lease of assets of a Material Subsidiary under Regulation 24(6).

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The Company shall nevertheless comply with any such requirement if it becomes applicable to the Company due to any subsequent amendment, change in listing status or other applicable law.

5. DETERMINATION OF MATERIAL SUBSIDIARY

The Company shall identify its Material Subsidiary annually based on the immediately preceding accounting year.

A subsidiary shall be considered a **Material Subsidiary** where its turnover or net worth exceeds **10% of the consolidated turnover or net worth**, respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

The determination shall be made based on the audited consolidated financial statements of the Company for the immediately preceding financial year.

The list of subsidiaries identified as Material Subsidiaries shall be placed before the Audit Committee/Board, as may be considered appropriate, for information and monitoring purposes.

6. SIGNIFICANT TRANSACTIONS / ARRANGEMENTS OF SUBSIDIARIES

The Company may monitor significant transactions and arrangements entered into by its unlisted subsidiaries as part of its internal governance framework.

For this purpose, the management may periodically provide the Board/Audit Committee with information regarding material or significant transactions and arrangements entered into by its subsidiaries.

This provision is intended as an **internal governance mechanism** and shall not be construed as creating a mandatory compliance requirement under Regulation 24 of the SEBI LODR Regulations, which is presently exempted for the Company under Regulation 15(2)(b).

7. RESTRICTION ON DISPOSAL OF SHARES OF MATERIAL SUBSIDIARY

7.1 SME applicability position

Regulation 24(5) of the SEBI LODR Regulations provides restrictions on disposal of shares of a Material Subsidiary by a listed entity.

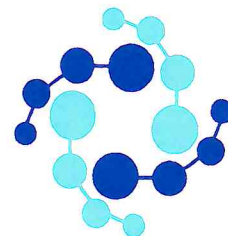
However, Regulation 24(5) is not applicable to Steelman Telecom Limited, as the Company has listed its specified securities on the SME Platform of BSE Limited and is covered by the exemption under Regulation 15(2)(b).

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Accordingly, disposal of shares of a Material Subsidiary by the Company does **not** require a special resolution under Regulation 24(5) merely because the subsidiary is a Material Subsidiary.

8. RESTRICTION ON DISPOSAL / LEASING OF ASSETS OF MATERIAL SUBSIDIARY

Regulation 24(6) of the SEBI LODR Regulations contains requirements relating to selling, disposing of and leasing of assets of a Material Subsidiary.

However, **Regulation 24(6) is not applicable to Steelman Telecom Limited** pursuant to the SME exemption under Regulation 15(2)(b).

Accordingly, prior shareholder approval under Regulation 24(6) is not mandatory for the Company merely on account of the transaction involving a Material Subsidiary.

9. OTHER PROVISIONS RELATING TO SUBSIDIARIES

The following provisions of Regulation 24 shall not be mandatorily applicable to the Company while the Company continues to be eligible for the SME exemption:

a) Independent Director on Material Unlisted Subsidiary

The requirement of having at least one Independent Director of the Company on the Board of an unlisted Material Subsidiary under Regulation 24(1) is not mandatory for the Company.

b) Review of financial statements

The requirement under Regulation 24 relating to review of financial statements and investments of subsidiaries by the Audit Committee is not mandatory under SEBI LODR for the Company.

c) Minutes of subsidiary Board meetings

The requirement relating to placing minutes of Board meetings of unlisted subsidiaries before the Board of the listed entity is not mandatory under Regulation 24 for the Company.

d) Significant transactions and arrangements

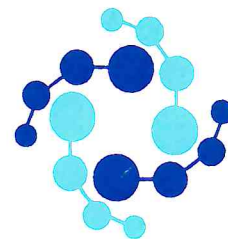
The specific requirement under Regulation 24 relating to significant transactions and arrangements of unlisted subsidiaries is not mandatory under SEBI LODR for the Company.

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The Company may nevertheless continue these practices voluntarily wherever considered appropriate by the Board.

10. REGULATION 23 – RELATED PARTY TRANSACTIONS

Notwithstanding the general SME exemption from the corporate governance provisions, the Company shall separately determine the applicability of Regulation 23 of the SEBI LODR Regulations.

With effect from 1 April 2025, Regulation 23 applies to an SME-listed entity where its:

- paid-up equity share capital exceeds Rs.10 crore, or
- net worth exceeds Rs.25 crore,

as on the last day of the immediately preceding financial year.

Where Regulation 23 becomes applicable at a later date, the Company is required to ensure compliance within six months from the date on which the provision becomes applicable.

Once Regulation 23 becomes applicable, it continues to apply until both the equity share capital and net worth reduce below the specified thresholds and remain below such thresholds for three consecutive financial years.

This specific applicability of Regulation 23 shall be assessed independently and shall not affect the exemption available to the Company from Regulation 24.

11. ANNUAL REVIEW OF SUBSIDIARIES

The management shall undertake an annual review of the subsidiaries of the Company to:

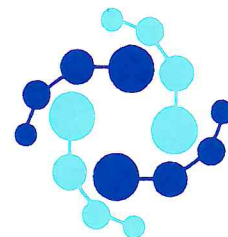
1. identify subsidiaries falling within the definition of Material Subsidiary;
2. determine whether any subsidiary has become or ceased to be a Material Subsidiary;
3. identify any changes in the status of subsidiaries, including conversion of a subsidiary into an associate or vice versa;
4. assess applicability of the Companies Act and SEBI regulations; and
5. place the relevant information before the Audit Committee/Board, as considered appropriate.

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12. DISCLOSURE

The Company shall make such disclosures in relation to Material Subsidiaries as are required under the **applicable provisions of the SEBI LODR Regulations and other applicable laws.**

Since the Company is an SME-listed entity, provisions of Regulation 46 and Schedule V relating specifically to corporate-governance disclosures shall apply only to the extent they are applicable to the Company under Regulation 15(2).

13. CHANGE IN LISTING STATUS

In the event the securities of the Company are subsequently migrated from the SME Platform to the Main Board of BSE Limited or are listed on any other platform where the SME exemptions under Regulation 15(2)(b) cease to apply, the Company shall reassess this Policy and its subsidiary-related compliance requirements.

Upon cessation of the SME exemption, the applicable provisions of Regulations 16, 24 and other relevant provisions of the SEBI LODR Regulations shall become applicable in accordance with the applicable transition provisions.

14. AMENDMENTS

The Board may amend, modify or revise this Policy from time to time, subject to applicable provisions of the Companies Act, 2013, SEBI LODR Regulations and other applicable laws.

Any amendment, modification, substitution or re-enactment of the applicable law or regulations which affects this Policy shall be deemed to be incorporated into this Policy to the extent applicable.

The Policy shall be interpreted in accordance with the SEBI LODR Regulations as amended from time to time.

Amended as on dated 01.04.2026

By The Order of the Board
For Steelman Telecom Limited

Steelman Telecom Limited

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Mahendra Bindal
(Managing Director)

DIN: 00484964

