GREAVES

GREAVES COTTON LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES
(Amended w.e.f. 23rd January, 2025)

I. Objective:

The purpose of forming a Policy for determining material subsidiaries ("the Policy") is to identify material subsidiaries of the Company and to provide governance framework for such subsidiaries. The Policy is formed in accordance with the provisions of Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

II. Definition:

Material Subsidiary: Material Subsidiary shall mean a subsidiary, whose 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.

Significant transaction or arrangement: It means any 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.

Words and expressions used but not defined in the Policy, shall have the meaning ascribed to such terms in the Companies Act, 2013 and the rules made thereunder and Listing Regulations, (as amended from time to time).

III. Governance framework:

1. Appointment of Independent Directors

   The Board shall appoint at least one independent director on the Board of an unlisted material subsidiary.

   For the purposes of this provision, the term "material subsidiary" shall mean a subsidiary, whose turnover or net worth exceeds 20% percent of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

2. Role of Audit Committee

   - Review the financial statements, in particular, the investments made by the unlisted subsidiary company.

   - Review the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size

of the subsidiary, whichever is lower.

3. The minutes of the meetings of the Board of Directors of the unlisted subsidiary company shall be placed at the meeting of the Board of Directors of the Company.

4. The management of the unlisted subsidiary shall periodically bring to the notice of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company.

5. Disposal of Material Subsidiary

   - The Company shall not dispose of 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% or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting.

   - Selling, disposing and leasing of assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders by way of special resolution.

6. Audited Financial Statements of each of the subsidiary shall be uploaded on the website of the Company at least 21 days prior to the date of the Annual General Meeting.

7. Secretarial Audit

   The material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex a secretarial audit report given by a company secretary in practice with the annual report of the Company.

8. Disclosure under Regulation 30 of the Listing Regulations

   The Company shall disclose all events or information, with respect to subsidiaries, which are material for the Company.

IV. Amendments to the Policy

The Policy shall be subject to review as may be deemed necessary.

The Compliance Officer is authorised to amend the Policy to give effect to any changes / amendments notified by the Ministry of Corporate Affairs or SEBI. The amended policy shall be placed before the Board for noting.