GREENLAM INDUSTRIES LIMITED

POLICY FOR
DETERMINING MATERIAL SUBSIDIARIES

(Approved and Adopted by the Board of Directors on 1St December 2015 and last amended upto May 22, 2026)

GREENLAM INDUSTRIES LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

PREMABLE AND OBJECTIVE

The Policy is framed in accordance with the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereof) and is intended to ensure governance of the subsidiary(ies) of the Company including subsidiary(ies) which are determined as 'material'.

DEFINITIONS:

"Board" means the Board of Directors of Greenlam Industries Limited.

"**Company**" means Greenlam Industries Limited.

"**Material Subsidiary(ies)**" means a subsidiary company whose turnover or net worth exceeds ten per cent of the consolidated turnover or net worth of the Company and its subsidiaries as per the audited balance sheet of the immediately preceding accounting year;

"**Policy**" means this Policy, as amended from time to time.

"**Significant Transaction or Arrangement**" shall mean 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.

"**Subsidiary**" means a subsidiary as defined under sub-section(87) of section 2 of the Companies Act, 2013.

INTERPRETATION:

Any words used in this policy but not defined herein shall have the same meaning as prescribed to it in the Companies Act, 2013 or Rules made thereunder, SEBI Act, 1992 or Rules and Regulations made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the amendments made therein or any other relevant legislation/law applicable to the Company.

PROCESS OF DETERMINATION AND COMPLIANCES IN RESPECT OF MATERIAL SUBSIDIARIES:

a) The Company shall place before the Board, annual financial statements of all its Subsidiaries, including the quantum of investments made in such Subsidiaries in respect of its consolidated turnover and net worth as per the audited balance sheet of the immediately preceding accounting year.

b) Once a Subsidiary is identified as Material Subsidiary, the Company shall adhere to the following procedures:

i. The Company shall not dispose of the shares of the Material Subsidiary which would reduce 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 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.

ii. 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 of the Company by way of special resolution except where the sale/disposal/lease is made under a scheme of arrangement duly approved by the 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.

Nothing contained in clause (b)(ii) shall be applicable if such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the Company.

iii. 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 company(ies), which may or may not be incorporated in India.

Explanation:- *For the purpose of clause (iii) above, notwithstanding anything to the contrary contained in this Policy, the term "material subsidiary" shall mean a subsidiary, whose turnover or net worth exceeds twenty percent of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.*

GENERAL COMPLIANCES IN RESPECT OF OTHER SUBSIDIARIES

Apart from the above, the following general compliances shall be adhered to by the Company with respect to all its Subsidiaries, whether or not they are Material Subsidiaries:

a) The Audit Committee and the Board of Directors of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary company.

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

c) The management shall periodically bring to the attention of the Board of Directors of the Company, a statement of all Significant Transactions and Arrangements entered into by the unlisted subsidiary company.

d) The management shall present to the Audit Committee annually the list of such subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board including recommendation for appointment of Independent Director in the Unlisted Material Subsidiary.

e) Where a listed holding company has a listed subsidiary, which is itself a holding company, the above provisions shall apply to the listed subsidiary in so far as its subsidiaries are concerned.

CLARIFICATIONS, AMENDMENTS AND UPDATES

This Policy shall be implemented as per the provisions of the SEBI Listing Regulations. Any amendments in the SEBI Listing Regulations, including any clarification/ circulars of relevant regulator, shall be read into this Policy such that the Policy shall automatically reflect the contemporaneous application of Applicable Law at the time of its implementation. The Company Secretary of the Company is authorised to carry on any changes in the Policy to make it consistent with the amended Applicable Laws.