

Policy on Determination of Material Subsidiaries

(Revised and adopted by the Board of Directors in their Meeting held on October 31, 2026)

1. Introduction and Purpose

Greenleaf Envirotech Limited ("the Company") recognizes the importance of sound corporate governance and transparent oversight of its subsidiary companies. As the Company expands its footprint through subsidiaries across geographies and business lines, it is critical to ensure that significant subsidiaries—those with material financial or operational impact—are governed effectively.

This Policy on Material Subsidiaries ("Policy") is framed in accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), including amendments from time to time. It outlines criteria to identify such material subsidiaries, the governance requirements applicable to them, and the responsibilities of the Board and senior management with respect to such subsidiaries.

2. Effective Date and Scope

This Policy shall be effective from the date of its approval by the Board of Directors and shall apply to all subsidiaries of the Company, whether incorporated in India or overseas. The policy is dynamic and shall be updated to reflect any changes in applicable laws or regulatory guidelines.

3. Key Definitions

For the purpose of this Policy:

- **"Act"** refers to the Companies Act, 2013 and the rules made thereunder, as amended from time to time.
- **"Board"** means the collective body of Directors of Greenleaf Envirotech Limited.
- **"Company"** means Greenleaf Envirotech Limited.
- **"Holding Company**" and **"Subsidiary Company"** shall have the meanings assigned to them under Section 2(46) and 2(87) respectively of the Companies Act, 2013.
- **"Material Subsidiary"** means a subsidiary whose:
  - Turnover, or
  - Net worth
  - exceeds 10% of the consolidated turnover or net worth respectively of the Company and its subsidiaries during the immediately preceding accounting year.
- **"Unlisted Material Subsidiary"** means a material subsidiary whose equity shares are not listed on any recognized stock exchange in India or abroad.
- **"Significant Transaction or Arrangement"** means any transaction or arrangement that, individually or cumulatively, during a financial year, exceeds 10% of the total revenue, total expense, total assets, or total liabilities of the

concerned unlisted subsidiary, as per the immediately preceding audited financial statements.

4. Governance Framework for Material Subsidiaries

To maintain transparency and accountability, the following framework shall govern material subsidiaries:

I. Board Representation
At least one Independent Director of the Company shall be appointed as a director on the board of directors of every unlisted material subsidiary, whether incorporated in India or elsewhere.

This requirement ensures direct oversight of the functioning and decision-making process of the material subsidiary by the Independent Director, thereby strengthening governance.

II. Secretarial Audit
Every unlisted material subsidiary incorporated in India shall conduct a secretarial audit and include the secretarial audit report in its annual report. This reinforces legal and procedural compliance in the subsidiary's operations.

III. Oversight of Transactions
The management of each unlisted subsidiary shall periodically present to the Audit Committee and/or the Board of the Company a statement of all significant transactions and arrangements entered into by such subsidiary. This provision aims to keep the parent company's Board apprised of any critical activities that may impact the Group as a whole.

5. Restrictions on Sale or Disposal of Shares and Assets

To ensure shareholders' value is not compromised, the following provisions apply:

i. Disposal of Equity Stake

The Company shall not:

- Reduce its shareholding (individually or with other subsidiaries) in any material subsidiary to 50% or below, or
- Cease to have control over a material subsidiary

without passing a **Special Resolution** in a general meeting of shareholders, **unless** such reduction or cessation is under a scheme of arrangement or a resolution plan approved by a court/tribunal or under Section 31 of the Insolvency and Bankruptcy Code, 2016. Such events shall be disclosed to the stock exchanges within **one working day**.
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ii. Disposal of Assets

The Company shall not sell, lease, or otherwise dispose of assets amounting to more than 20% of the total assets of any material subsidiary during a financial year without obtaining prior approval from shareholders via **Special Resolution**, except when such transaction is:

- Undertaken under a court-approved scheme, or
- Part of a resolution plan approved under the Insolvency and Bankruptcy Code.

These restrictions shall **not apply to transactions between wholly-owned subsidiaries** of the Company.

6. Disclosure Requirements

In compliance with regulatory mandates:

- This Policy shall be disclosed on the website of the Company.
- A weblink to the Policy shall be provided in the Company's Annual Report in the Corporate Governance section or as otherwise prescribed (*as and when applicable).*

7. Policy Review and Amendments

The Board of Directors may review and revise this Policy at regular intervals or as and when required due to changes in regulatory or business conditions. Any changes to the Policy shall be subject to Board approval and shall be disclosed accordingly.

8. Interpretation and Final Authority

In case of any ambiguity or conflict between the provisions of this Policy and applicable laws, the interpretation most consistent with the law shall prevail. Any term not defined in this Policy shall have the meaning prescribed under the Companies Act, 2013 or SEBI LODR.