

GUJJUBHAI INDUSTRIES LIMITED

(Formerly known as Sumuka Agro Industries Limited)

CIN: L74110MH1989PLC289950

POLICY ON MATERIAL SUBSIDIARY

1. Purpose of this Policy

1.1 Gujjubhai Industries Limited (“GIL or the “Company”) has adopted this Policy in terms of the provisions of Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1.2 The purpose of this Policy is to determine the Material Subsidiaries of the Company and to provide the governance framework for such subsidiaries.

2. Applicability of this Policy

This Policy applies to Gujjubhai Industries Limited (the “Company”).

3. Definitions

Unless repugnant to the context:

- 3.1 “Act” shall mean the Companies Act, 2013 including the Rules made thereunder, as amended from time to time.
- 3.2 “Applicable Laws” shall mean the Act and Rules made thereunder, the Listing Regulations (as defined hereafter) and / or such other Act, Rules or Regulations which are / may be applicable in respect of material subsidiaries.
- 3.3 “Audited Consolidated Financial Statements” shall mean consolidated financial statements of the Company and its subsidiaries, as the case may be and as may be required, for the immediately preceding accounting year, which have been audited by the statutory auditors of the Company.
- 3.4 “Board” or “Board of Directors” shall mean the Board of Directors of the Company.
- 3.5 “Company” or “GIL” shall mean Gujjubhai Industries Limited.
- 3.6 “Listing Regulations” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder, including any statutory modification(s) or re-enactment(s) thereof for the time being in force.
- 3.7 “Material Subsidiary” - Unless otherwise specified for the purpose of this Policy, a subsidiary shall be considered as Material Subsidiary if the turnover or net worth of the subsidiary as per its audited financial statements for the immediately preceding accounting year exceeds 10% of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

Provided however that in case the consolidated net worth as per the Audited Consolidated Financial Statements of the Company is negative, then a subsidiary shall be

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considered as a Material Subsidiary if the turnover or total assets of the subsidiary as per its audited financial statements for the immediately preceding accounting year exceeds 10% of the consolidated turnover or consolidated total assets respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

3.8 “Policy” or “this Policy” shall mean the Policy on Material Subsidiary.

3.9 “Subsidiary” shall mean subsidiary as defined under Section 2(87) of the Companies Act, 2013 (the “Act”) as amended and the Rules made thereunder.

3.10 Interpretation – In this Policy unless the contrary intention appears, words and expressions used and not defined in this Policy but defined in the Applicable Laws shall have the meanings respectively assigned to them in those Applicable Laws.

4 Review of the Policy and disclosure requirements

4.1 This Policy has been implemented w.e.f. 27th December 2014 and has been subsequently amended from time to time with latest amendment effective from 15th February 2026.

4.2 This Policy shall be disclosed on the website of the Company and a weblink shall be provided in the Annual Report.

4.3 The Board will review this Policy on a periodic basis to ensure its effectiveness and also compliance with the Act and the Listing Regulations.

4.4 This Policy is subordinate to the Listing Regulations or other applicable statutory provisions including the Act and in the event of inconsistency between this Policy and the Applicable Laws (including due to subsequent amendments to the Applicable Laws), the provisions of the Applicable Laws will prevail.

4.5 To the extent any change or amendment is required due to change in the Applicable Laws, the Managing Director or the Chief Executive Officer of the Company shall be authorised to review and amend the Policy to give effect to any such changes or amendments. Such amended Policy shall be placed before the Board for noting and necessary ratification.

4.6 The Board reserves any right to alter, modify, add, delete or amend any of the provisions of this Policy.

5 Requirements with reference to Material Subsidiary

5.1 The Company, without prior approval of the shareholders by special resolution, shall not:

a. dispose of shares in the Material Subsidiary that results in reduction of its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50%; or

b. undertake any activity that results in cessation of control over the Material Subsidiary; or

c. sell, dispose of or lease the assets amounting to more than 20% of the assets (on an

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aggregate basis during a financial year) of the Material Subsidiary as per its last audited financial statements;

except in cases where such disinvestment (in case of (a) and (b) above), or sale / disposal / lease (in case of (c) above), as the case may be, 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 recognised stock exchanges within one day of the resolution plan being approved.

5.2 At least one independent director on the Board of the Company will be appointed as a director on the Board of an unlisted material subsidiary, whether incorporated in India or not.

For the purpose of this provision, a subsidiary shall be considered as ‘material subsidiary’ if the turnover or net worth of the subsidiary as per its audited financial statements for the immediately preceding accounting year exceed 20% of the consolidated turnover or net worth respectively of the Company and its subsidiaries in the immediately preceding accounting year .

Provided however that in case the consolidated net worth as per the Audited Consolidated Financial Statements of the Company is negative, then for the purpose of this clause, a subsidiary shall be considered as a material subsidiary if the turnover or total assets of the subsidiary as per its audited financial statements for the immediately preceding accounting year exceeds 20% of the consolidated turnover or consolidated total assets of the Company and its subsidiaries in the immediately preceding accounting year.

5.3 The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary on a quarterly basis.

5.4 The minutes / gist of meeting of the Board of the unlisted subsidiary shall be placed at the Board Meeting of the Company on a quarterly basis.

5.5 The management shall, on quarterly basis bring to the notice of the Board of the Company, a statement of all significant transactions or arrangements entered into by the unlisted subsidiary. For the purpose of this provision, the term “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, as per its audited financial statements for the immediately preceding accounting year.

5.6 The Company and its material unlisted subsidiaries shall undertake secretarial audit under the relevant applicable laws and shall annex a secretarial audit report given by a company secretary in practice, in such form as specified, with the annual report of the Company. Further, the Company shall submit a secretarial compliance report in such form as specified, to stock exchanges, within sixty days from end of each financial year.

5.7 The list of material subsidiaries shall be presented to the board on annually for its

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