

GRASIM INDUSTRIES LIMITED

Regd. Office: Birlagram, Nagda 456331 (M.P.)

CIN: L17124MP1947PLC000410; Website: www.grasim.com

POLICY FOR DETERMINING “MATERIAL” SUBSIDIARY

(Pursuant to Clause 49 (V) of the Listing Agreement)

Clause 49 V D of the Listing Agreement requires a listed company to formulate a Policy for determining “material subsidiaries” of the Company. Accordingly, the Policy is framed as under:

1. A subsidiary shall be considered as material subsidiary, if the investment of the Company in the subsidiary exceeds 20% of the consolidated net worth as per the audited consolidated balance sheet of the previous financial year or if the subsidiary has generated 20% of the consolidated income of the Company during the previous financial year.
2. The Company shall not dispose off shares in its material subsidiary which would reduce Company's shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over such subsidiary without passing a special resolution in its General Meeting except in case where such divestment is made under a scheme of arrangement duly approved by the Court/ Tribunal.
3. 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, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal.
4. This Policy shall be subject to the provisions of the Companies Act, 2013 read with the Rules made there under, as may be in force for the time being, as well as Clause 49 of the Listing Agreement or such other Rules / Regulations, as may be notified by SEBI from time to time.
5. The Policy shall be uploaded on the website of the Company and a web link thereto shall be provided in the Annual Report of the Company.
