

GRM OVERSEAS LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

Preamble and Objective The Board of Directors of **GRM OVERSEAS LIMITED**

1. (hereinafter referred to the Company) has, in pursuance of revised Clause 49 of the Listing Agreement and other applicable provisions (including any statutory enactments/ amendments thereof), adopted the following policy for laying down a criterion for determining "Material Subsidiaries" and their governance.

This Policy is intended to augment and work in conjunction with regulatory provisions and other company policies.

2. Definitions:

2.1 Policy, means this Policy on Material Subsidiaries.

2.2 Material Subsidiary, means a subsidiary (including foreign subsidiary) if the investment of the Company in such subsidiary exceeds twenty per cent of its consolidated net worth as per the audited balance sheet of the previous financial year or if the subsidiary has generated twenty per cent of the consolidated income of the company during the previous financial year.

2.3 Material Non Listed Indian Subsidiary, mean a Material Subsidiary which is incorporated in India and is not listed on any Indian Stock Exchanges.

2.4 Policy, means this Policy on Material Subsidiaries.

2.5 Significant Transaction or Arrangement, shall mean any individual transaction or arrangement that exceed 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 material unlisted subsidiary for the immediately preceding accounting year.

2.6 Subsidiary, as defined under section 2(87) of the Companies Act 2013 and the Rules made thereunder. All references to the plural herein shall also mean the singular and to the singular shall also mean the plural unless the context otherwise requires. The words and expressions used in this Policy unless defined hereunder shall have the meaning assigned to them respectively in the Companies Act, 2013 and rules made thereunder, Listing Agreement, SEBI Act, 1992, Securities Contracts (Regulation) Act, 1956 or the SEBI (issue of capital and disclosure requirements) regulations or any statutory modification or re-enactment thereof, as the case may be.

3. Criteria for determining the Material Subsidiaries: A subsidiary shall be regarded as a Material Subsidiary for the financial year if it falls under the definition provided in clause 2.2 of this policy. The Audit Committee shall review on annual basis such details/ information as may be required to determine the "Material Subsidiaries."

4. Governance of Material subsidiaries:

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4.1 On the recommendation of Nomination and Remuneration Committee, an independent Director of the Company shall be appointed on the Board of the material non-listed Indian subsidiary company (subsidiary company).

Explanation: For the purpose of this clause, the term "material non listed Indian subsidiary" shall mean an unlisted subsidiary, incorporated in India, whose Income or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

4.2 The Audit Committee shall review the financial statements of each unlisted Subsidiary including material subsidiary, in particular, the investments made by such unlisted subsidiary on a regular basis.

4.3 The minutes of the Board Meetings of the unlisted subsidiary company shall be periodically placed before the Board.

4.4 A Statement of all significant transactions and arrangement entered into by the unlisted subsidiary company shall be periodically placed before the Board. 5. Disposal of shares or assets of material subsidiary company

5.1 Disposal of shares of material subsidiary, by the Company which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary shall require a special resolution in its General Meeting. The approval of shareholder shall not be required in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal."

5.2 Selling, disposing and leasing of assets amounting more than twenty percent 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.

6. Disclosures by the Company This Policy shall be disclosed on the Company's website and such web link shall also be provided in the Annual Report.

7. General The Board of Directors of the Company may review and amend this policy from time to time

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