POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

OF

VARVEE GLOBAL LIMITED

(FORMERLY KNOWN AS AARVEE DENIMS AND EXPORTS LTD)

1.Introduction

In accordance with the Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'), the Company has formulated this policy for determining material subsidiary of the Company.

2. Purpose

This Policy for Determining Material Subsidiaries ("Policy") has been formulated in accordance with the applicable provisions of the Companies Act, 2013, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), as amended from time to time, and other applicable laws.

The purpose of this Policy is to:

- determine the criteria for identifying material subsidiaries of the Company;
- provide a governance framework for material subsidiaries;
- ensure compliance with the SEBI LODR Regulations; and
- protect the interests of shareholders.

3. Applicability

This Policy shall apply to all subsidiaries of the Company, whether incorporated in India or outside India.

4. Definitions

Unless the context otherwise requires:

Act means the Companies Act, 2013 and the rules made thereunder, as amended from time to time.

Board means the Board of Directors of the Company.

Company means Varvee Global Limited

Independent Director shall have the meaning assigned under the Companies Act, 2013 and the SEBI LODR Regulations.

Material Subsidiary shall have the meaning specified under Regulation 16(1)(c) of the SEBI LODR Regulations, as amended from time to time.

Subsidiary shall have the meaning assigned under the Companies Act, 2013 and the SEBI LODR Regulations.

Words and expressions not defined in this Policy shall have the meanings assigned to them under the Companies Act, 2013, the SEBI LODR Regulations or any other applicable law.

5. **Criteria for Determination of Material Subsidiary**
   A subsidiary shall be considered a **Material Subsidiary** if its:

- turnover exceeds **10%** of the consolidated turnover of the Company and its subsidiaries; or
- net worth exceeds **10%** of the consolidated net worth of the Company and its subsidiaries,

during the immediately preceding accounting year, or such other threshold as may be prescribed under the SEBI LODR Regulations from time to time.

The determination shall be made based on the audited consolidated financial statements of the immediately preceding financial year.

6. **Governance Framework for Material Subsidiaries**
   The Company shall comply with the governance requirements applicable to material subsidiaries under the SEBI LODR Regulations, including the following:

6.1 Independent Director
At least one Independent Director on the Board of the Company shall be a director on the Board of an unlisted material subsidiary, wherever required under the SEBI LODR Regulations.

6.2 Review by Audit Committee
The Audit Committee shall review the financial statements, including investments made by unlisted subsidiaries, in accordance with the SEBI LODR Regulations.

6.3 Minutes of Board Meetings

The minutes of the Board meetings of unlisted subsidiaries shall be placed before the Board of the Company.

6.4 Significant Transactions

The management shall periodically bring to the attention of the Board significant transactions and arrangements entered into by unlisted subsidiaries.

For the purpose of this clause, "significant transaction or arrangement" means any individual transaction or arrangement that exceeds or is likely to exceed ten percent of the total revenues, total expenses, total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding accounting year.

6.5 Disposal of Shares

The Company shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding to less than or equal to fifty percent or resulting in cessation of control, except in accordance with the applicable provisions of the SEBI LODR Regulations and with prior approval of shareholders, wherever required.

6.6 Disposal of Assets

The Company shall not sell, dispose of or lease the assets amounting to more than twenty percent of the assets of a material subsidiary on an aggregate basis during a financial year without obtaining prior approval of shareholders by way of a special resolution, except where such disposal is made under a scheme of arrangement duly approved by a Court/Tribunal or under any resolution plan approved under the Insolvency and Bankruptcy Code, 2016, or as otherwise permitted under applicable law.

7. Monitoring and Review

The Chief Financial Officer and the Company Secretary shall jointly monitor compliance with this Policy and identify material subsidiaries based on the audited consolidated financial statements.

The status of material subsidiaries shall be reviewed at least once every financial year or earlier upon any acquisition, merger, demerger, restructuring or other material corporate event.

8. Disclosure

This Policy shall be:

- approved by the Board of Directors;
- hosted on the Company's website; and
- disclosed in the Annual Report in accordance with the SEBI LODR Regulations.

9. Amendments

The Board may amend, modify or revise this Policy from time to time to ensure compliance with applicable laws.
Any amendment to the Companies Act, 2013, the SEBI LODR Regulations or any statutory modification or re-enactment thereof shall automatically apply to this Policy, and the relevant provisions of this Policy shall be deemed to have been modified accordingly.

10. Interpretation

In case of any inconsistency between this Policy and the provisions of applicable law, the provisions of the applicable law shall prevail.
The Board shall have the power to interpret and implement this Policy and to resolve any questions relating to its applicability.

This Policy was approved by the Board of Directors at its meeting held on May 27, 2026