

ORGANIC RECYCLING SYSTEMS LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARY

LEGAL FRAMEWORK:

The Board of Directors of Organic Recycling Systems Limited (the “Company”) has formulated a “Policy for determining Material Subsidiaries” to comply with the requirements of Regulation 16(1)(c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter “Listing Regulations”).

OBJECTIVE:

The objective of the Policy is to determine Material Subsidiary/Subsidiaries of the Company and to provide a governance framework for such Material Subsidiary/Subsidiaries.

All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under Companies Act, 2013 and Listing Regulations, Circulars and Notifications made/issued thereunder, as amended from time to time.

DEFINITIONS:

“Holding Company”

Holding Company in relation to one or more other companies, means a Company of which such companies are subsidiaries companies.

Explanation.- For the purposes of this clause, the expression “company” includes any body corporate;

“Subsidiary Company”

Subsidiary Company or Subsidiary in relation to any other Company (that is to say the Holding Company), means a Company in which the Holding Company-

- I. Controls¹ the composition of the Board of Directors; or
- II. Exercises or controls more than one half of the total voting power either at its own or together with one or more of its Subsidiary companies;

Provided that such class or classes of holding companies as may be prescribed shall not have layers of subsidiaries beyond such numbers as may be prescribed.

Explanation- For the purpose of this definition,-

- a a company shall be deemed to be a subsidiary company of the holding company

even if the control referred to in sub-clause (i) or sub-clause (ii) is of another subsidiary company of the holding company;

- b. the composition of a company's Board of Directors shall be deemed to be controlled by another company if that other company by exercise of some power exercisable by it at its discretion can appoint or remove all or a majority of the directors;
- c. the expression "Company" includes any body corporate;
- d. "Layer" in relation to a Holding Company means its Subsidiary or subsidiaries.

¹The term "control" shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner as defined under section 2(27) of the Companies Act, 2013.

IDENTIFICATION OF 'MATERIAL' SUBSIDIARY:

A Subsidiary shall be considered as "Material Subsidiary" if its income or net worth exceeds 10% of the Consolidated Income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

POLICY REVIEW:

The Policy shall be subject to review as may be deemed necessary and in accordance with any regulatory amendments.

DISCLOSURES:

The Policy shall be posted on website of the Company www.organicrecycling.co.in and a web link thereto shall be provided in the Annual Report of the Company