



WHITE ORGANIC RETAIL LIMITED

CIN: L39000MH2011PLC225123

Website: <https://whiteorganicretailimited.com>

Policy for Determining Material Subsidiary

1. INTRODUCTION

The Board of Directors (the "Board") of White Organic Retail Limited (the "Company"), has adopted this policy for determination of "Material Subsidiary". The Board may review and amend this policy from time to time. This Policy is in accordance with Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

2. OBJECTIVE

The Objectives of this Policy is to determine:

- a. Material Subsidiary;
- b. Requirement of appointment of Independent Director as Director on the Board of a material unlisted subsidiary;
- c. Restriction on disposal of shares of a material subsidiary by the Company;
- d. Restriction on selling, disposing, leasing of assets of a material subsidiary;
- e. Disclosure requirements under the Listing Regulations and any other laws, regulations as may be applicable to the Company.

3. DEFINITIONS

- a. "**Act**" means the Companies Act, 2013 as amended from time to time;
- b. "**Audit Committee or Committee**" means Audit Committee constituted by the Board of Directors of the Company under the provisions of Listing Regulations, 2015 and the Companies Act, 2013, from time to time.
- c. "**Board of Directors**" or "**Board**" means the Board of Directors of White Organic Retail Limited, as constituted from time to time.

- d. **"Company"** means White Organic Retail Limited.
- e. **"Control"** shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- f. **"Holding Company"** is as defined under clause 2(46) of the Act;
- g. **"Independent Director"** means an Independent Director referred to in section 149(6) of the Companies Act, 2013, and / or Regulation 16(b) of the Listing Regulations, 2015.
- h. **"Management"** means the Senior Management and Key Managerial Personnel of White Organic Retail Limited.
- i. **"Material Unlisted Indian Subsidiary"** shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (i.e., paid-up capital and free reserves) exceeds 10% of its consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.
- j. **"Policy"** means policy for determining Material Subsidiary.
- k. **"Significant Transaction or Arrangement"** shall mean any individual transaction or arrangement that exceeds 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 unlisted subsidiary for the immediately preceding accounting year.
- l. **"Subsidiary"** or **"Subsidiaries"** means subsidiary company as defined under section 2(87) of the Companies Act, 2013 and the rules made thereunder.

4. IMPLEMENTATION AND APPROVAL PROCESS

- a. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary on an annual basis.
- b. The minutes of the meetings of the Board of Directors of the unlisted subsidiary shall be placed at the meeting of the Board of Directors of the Company.
- c. The management of the unlisted subsidiary shall periodically bring to the notice of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.
- d. The management shall present to the Audit Committee annually, the list of subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board.
- e. The Company shall not without the prior approval of the Shareholders by way of Special resolution:

- Dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.
 - 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 unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court /Tribunal/ or under a resolution plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved and such event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.
- f. In the event subsidiary of the Company becomes listed subsidiary which itself is a holding company, then this Policy shall apply to the listed subsidiary insofar as its subsidiaries are concerned.
- g. At least one Independent Director of the Company shall be appointed as Director on the Board of a material unlisted subsidiary company, whether incorporated in India or not.

For the purpose of above clause (iii), the term "material subsidiary" shall mean a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

- h. The Company may also appoint Independent Director(s) on the board of overseas subsidiary company, as they may deem fit.
- i. The Company and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex in its annual report, a secretarial audit report, given by a Company Secretary in practice, in such form as may be specified.
- j. As prescribed under the Listing Regulations, this Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the Annual Report of the Company.
- k. This Policy shall be subject to review by the Board from time to time as may be deemed necessary and in accordance with any regulatory requirements.
- l. In the event of any conflict between the provisions of this Policy and the Listing Regulations or the Act or any other statutory enactments, rules, the provisions of such Listing Regulations or the Act or statutory enactments, rules shall prevail over this Policy.

m. Any subsequent amendment/modification in the Listing Regulations or the Act or any other applicable laws, direction or clarification by SEBI, provision of this Policy shall be read and implemented in context of such amended/modified or clarified positions.

5. DISCLOSURES

This Policy shall be disclosed on the Company's website [https://whiteorganicretaillimited.com/Investor relations/Polices.html](https://whiteorganicretaillimited.com/Investor%20relations/Polices.html) and a web link thereto shall be disclosed in the Annual Report of the Company.

6. AMENDMENTS TO THE POLICY

The Board of Directors on its own can amend this Policy, as and when deemed fit. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities are not consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.
