



Apcotex Industries Limited

Policy for determining Material Subsidiary

VERSION HISTORY

Version	Adopted / Amended by	Date of Approval / Amendment
1	Board of Directors	February 6, 2016
2	Board of Directors	January 28, 2025

1. Objective and Scope:

The Policy for determining ‘material’ subsidiary companies has been framed in accordance with the Regulation 16(1)(C) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

The Policy will be used to determine the material subsidiaries of **Apcotex Industries Limited** (“**the Company**”) and to provide the governance framework for such subsidiaries.

2. Identification of ‘Material Subsidiary’:

As per Regulation 16(1)(c) of LODR Regulations, “material subsidiary” is defined as a subsidiary, whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

3. Governance framework:

- a. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary Company.
- b. The minutes of the Board Meetings of the Unlisted Subsidiary Companies shall be placed before the Board of Directors of the Company.
- c. The management shall periodically bring to the attention of the Board of Directors of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company.
- d. At least one Independent Director of the Company shall be a director on the board of the unlisted material subsidiary company, whether incorporated in India or not.
- e. The unlisted subsidiaries companies incorporated in India shall undertake secretarial audit and shall annex a secretarial audit report given by a company secretary in practice, in such form as specified, with the annual report of the Company.

4. Disposal of Material Subsidiary:

The Company shall not:

- a. dispose of shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50 percent or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting, 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.
- b. sell, dispose of and lease assets amounting to more than 20 percent of the assets of the material subsidiary on an aggregate basis during a financial year without 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, 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.

5. Policy Review:

The policy will be subject to review and amendment, as and when necessary, to ensure the same remain relevant and aligned with the evolving best practices and regulatory

changes. In case of discrepancies in policy and applicable laws, applicable laws will prevail.

6. Disclosure:

This Policy shall be disclosed on the website of the Company and a web link thereto shall be provided in the Annual Report of the Company.