

APL METALS LIMITED
(Formerly Associated Pigments Limited)
POLICY ON MATERIAL SUBSIDIARIES

I. Purpose and Scope:

The Policy for determining 'material' subsidiary companies has been framed by APL Metals Limited in accordance with the provisions of regulation 16(1)(c) and 24 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. The Policy will be used to determine the Material Subsidiaries of the Company and to provide the governance framework for such subsidiaries.

II. Material Subsidiary and Significant Transaction or Arrangement

A subsidiary shall be considered as material if its Income exceeds 20% of the consolidated income or Net worth exceeds 20% of the consolidated net-worth computed by consolidating the financials of the listed company and all its subsidiaries in the immediate preceding financial year .

The above limit is as per Regulation-24.1 and shall stand modified in case of changes therein.

Significant Transaction or Arrangement

It means any transaction or arrangement that exceeds or is likely to exceed ten percent (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 as per Regulation-24.4

Governance Framework for Material Subsidiary:

Independent Director on the Board of a Material Non-Listed Indian Subsidiary

At least one Independent Director on the Board of the listed holding Company shall be a director on the Board of a Material Non Listed Indian Subsidiary.

Review of the financial statements by the Audit Committee of Directors

The Audit Committee of Directors of the listed holding company shall review the financial statements, in particular, the investments made by the unlisted subsidiary company.

Significant Transactions/Arrangements of a Non Listed Material Subsidiary

The management should periodically bring to the attention of the Board of Directors of the listed holding Company, a Statement of all Significant Transactions and Arrangements entered into by any Unlisted Material Subsidiary Company.

Restrictions on Disposal of Shares of a Material Subsidiary

The Company shall not dispose of Shares in its Material Subsidiary, which would reduce its shareholding (either on its own or together with other subsidiaries) to less than fifty percent (50%) or cease the exercise of control over the subsidiary without passing a Special Resolution in its General Meeting, except in such cases where divestment is under a scheme of arrangement, duly approved by a Court / Tribunal.

Restriction on Transfer of Assets of a Material Subsidiary

Selling, disposing and leasing of Assets, amounting to more than twenty percent (20%) of the Assets of a Material Subsidiary on an aggregate basis during a financial year, shall require prior approval of shareholders of the listed holding Company by way of a Special Resolution, unless the sale/ disposal/lease is made under a scheme of arrangement, duly approved by a Court/Tribunal.

Disclosures

This shall be disclosed in the Company's website and a web-link shall be provided in the Annual Report.

Review of Policy

The Policy shall be subject to review by the Board of Directors as may be necessary and shall stand modified to the extent changed in accordance with the regulatory framework and amendments.

The End

