

## **APTECH LIMITED**

### **POLICY ON MATERIAL SUBSIDIARY**

The Audit Committee of Aptech Limited has adopted the following policy with regard to determination of Material Subsidiaries in terms of Regulation 16 (1) (c) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee may review and amend this policy from time to time as required under the listing agreement.

Objective of the Policy is to determine the Material Subsidiaries of Aptech Limited and to provide the governance framework for such subsidiaries.

**Material Subsidiary** shall mean an Subsidiary, whose Turnover or Net worth (i.e. Paid up Capital and Free Reserves) exceeds 10% of the Consolidated Turnover or Net worth respectively, of Aptech Limited and its subsidiaries in the immediately preceding accounting year.

1. A subsidiary shall be a **Material Subsidiary**, if any of the following conditions are satisfied:
  - a) In which the Investment of Aptech Limited exceeds 10 % of its Consolidated Net worth as per the Audited Balance Sheet of the previous Financial Year; or
  - b) Which has generated 10 % of the Consolidated Turnover during the previous Financial Year
2. At least one Independent Director of Aptech Limited shall be a director on the Board of the Material Subsidiary Company.
3. The Audit Committee of Aptech Limited shall review the Financial Statements of Material Subsidiary Company, in particular, the investments made by the Material Subsidiary Company.
4. The Minutes of the Board Meeting of Material Subsidiary Company shall be placed at the Board meeting of Aptech Limited. The management should periodically bring to the attention of the Board of Directors of Aptech Limited, a statement of all significant transactions and arrangements entered into by the Material Subsidiary Company. ("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 Material Subsidiary for the immediately preceding accounting year.)

## 5. Disposal of Material Subsidiary

Aptech Limited, without the prior approval of the members by Special Resolution, shall not:

- a) dispose shares in Material Subsidiary that reduces its shareholding to less than 50%; or
- b) ceases the exercise of control over the Material Subsidiary; or
- c) sell, dispose or lease the assets amounting to more than twenty percent of the assets of the Material Subsidiary on an aggregate basis during a Financial Year

Approval of members shall not be necessary where such divestment, sale/disposal/lease is made under a scheme of arrangement approved by a Court / Tribunal.

## 6. Disclosure

The Policy for determining material subsidiaries is to be disclosed on the Company's website and a weblink thereto shall be provided in the Annual Report.

## 7. Amendment in laws

Any subsequent amendment / modification in SEBI listing regulations, the Act and all other applicable laws in this regard shall automatically apply to this policy.