

Policy for Determining Material Subsidiaries of Asia Pack Limited

1. INTRODUCTION

The Board of Directors of Asia Pack Limited (the “Company”) has adopted the following policy and procedures with regard to determination of material subsidiary(ies). As on date of formulating this Policy, the Company has no subsidiaries and there is no immediate applicability. However, the policy is devised in order to cater to the needs of the company in future when the Company would own Subsidiaries. The Board may review and amend this Policy from time to time.

2. OBJECTIVE

The objective of this Policy is to determine material subsidiaries of the Company and to provide a governance framework for such material subsidiaries.

The Policy is framed in accordance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereof).

3. LEGAL FRAMEWORK

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) imposed certain obligations and disclosure requirements on all listed entities, one of the common obligations for all listed entities pursuant to Regulation 16 (c) being to formulate and put in place a policy for determining material subsidiaries.

Regulation 16 (c) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 says:

“**material subsidiary**” shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

Explanation - The listed entity shall formulate a policy for determining ‘material’ subsidiary.

4. APPLICABILITY AND EFFECTIVE DATE

This Policy is applicable on Asia Pack Limited (“APL”) and its subsidiaries, if any and will be effective from 1st December, 2015.

5. DEFINITIONS

“**Audit Committee**” means Audit Committee constituted by the Board of Directors of the Company, from time to time, under provisions of SEBI’s LODR Regulations, 2015 and the Companies Act, 2013.

“**Board of Directors**” or “**Board**” shall mean the Board of Directors of Asia Pack Limited, as constituted from time to time.

“**Company**” shall mean “Asia Pack Limited”.

“**Listing Regulations**” shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

“**Material Non Listed Indian Subsidiary**” shall mean a Material Subsidiary which is incorporated in India and is not listed on the Indian Stock Exchanges whose income or net worth (i.e. paid-up capital and free reserves) exceeds 20 per cent of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding financial year.

“**Policy**” means this Policy, as amended from time to time.

“**Subsidiary**” shall mean a subsidiary as defined under the Act and Rules made thereunder.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder from time to time, the Listing Agreement, Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation.

6. POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

A subsidiary shall be a **Material Subsidiary**, whose income or networth exceeds twenty percent of the consolidated income or turnover of the Company during the previous financial year.

One Independent Director of the Company shall be a Director on the Board of the material non-listed Indian subsidiary company.

The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary Company.

The minutes of the Board meetings of the unlisted subsidiary company shall be placed at the Board meeting of the company.

The management should 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.

7. DISPOSAL OF MATERIAL SUBSIDIARY

The Company shall not :

- dispose of the shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting, except in cases where divestment is made under a scheme or arrangement duly approved by a Court/Tribunal.
- sell, dispose off and lease assets amounting to more than twenty 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

8. GENERAL / SCOPE AND LIMITATION

Notwithstanding anything contained in this policy, the Company shall ensure compliance with any additional requirements as may be prescribed under any laws/regulations either existing or arising out of any amendment to such laws/regulations or otherwise and applicable to the Company, from time to time.

In the event of any conflict between the provisions of this Policy and the SEBI's LODR Regulations, 2015/ Companies Act, 2013 or any other statutory enactments, rules, the provisions of such Listing Regulations / Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

9. DISCLOSURE

As prescribed under Regulation 46 (1) of the SEBI's LODR Regulations, this policy shall be disclosed on the company's website www.asiapackltd.com and a weblink thereto shall be provided in the Annual Report of the Company.

10. AMENDMENTS

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace this policy entirely with a new policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.