



APAR INDUSTRIES LTD.

ADDENDUM TO POLICY ON MATERIAL SUBSIDIARIES

The Company had formulated and posted at its website the 'Policy on Material Subsidiaries' in terms of Clause 49 of the Listing Agreement prevailing during the year 2014. SEBI has introduced new Listing Regulations known as Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (*hereinafter referred to as the 'Listing Regulations'*), in place of the old Listing Agreement, which have come into force with effect from 1st December, 2015.

SEBI vide its meeting held on March 28, 2018 has accepted some of the recommendations given by the Kotak Committee pertaining to Corporate Governance, accordingly definition of Material Subsidiary as stated in Regulation 16 (1) (c) of the Listing Regulations is sought to be amended which shall read as follows:

“material subsidiary” shall mean 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.

Thus, a subsidiary shall be considered as Material if –

– the investment of the Company in the subsidiary exceeds ten per cent of its consolidated net worth as per the audited balance sheet of the previous financial year; or

– the subsidiary has generated ten per cent of the consolidated income of the Company during the previous financial year.

However, while considering the requirements pertaining to Corporate Governance in respect to subsidiary of listed entity as stipulated in Regulation 24 of the Listing Regulations, the term “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.

SUBSIDIARIES OF APAR INDUSTRIES LIMITED

Ceased Subsidiaries:

Apar Lubricants Limited, the Wholly-owned Subsidiary of the Company, has been amalgamated with the Company w.e.f. 10th November, 2015 and ceased to exist as Corporate Body with effect from that date.

Quantum Apar Speciality Oils Pty. Ltd., Australia, Subsidiary of PSPL, has been voluntarily de-registered from the Australian Securities and Investment Commission w.e.f. 2nd August, 2017 and ceased to exist as Corporate Body with effect from that date.

Existing Subsidiaries:

Apar Transmission & Distribution Project Private Limited (ATDPPL) (CIN: U74999GJ2016PTC093485) has been incorporated on 26th August, 2016. ATDPPL is a Wholly Owned Subsidiary (WOS) of the Company.

Cema Optilinks Private Limited (COPL) (CIN: U32302GJ2017PTC097824) has been incorporated on 12th June, 2017. COPL is a Majority Owned Subsidiary Company of the Company.

Petroleum Specialities FZE, Sharjah (PS-FZE) has been incorporated on 18.11.2014. PS-FZE is a Wholly-owned Subsidiary (WOS) of Petroleum Specialties Pte. Ltd., Singapore (PSPL), which is a WOS of the Company.

A list stating such existing and new Subsidiaries and Material subsidiaries of the Company shall be presented to the Audit Committee and to the Board of Directors of the Company from time to time for their noting and shall also form a part of the Annual Report of the Company.

AMENDMENTS TO THE POLICY

The Board of Directors on its own and / or as per the recommendations of Audit Committee 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, not being 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.

Accordingly, the Policy has been amended and be read with the above changes.