

**ALPS INDUSTRIES LIMITED**

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Regd. Office: PLOT NO. 15-B, G.T. ROAD, CHAUDHARY MORH,

GHAZIABAD 201001 (UP)

CIN: L51109UP1972PLC003544

**POLICY FOR DETERMINING MATERIAL SUBSIDIARIES**

**Approved & adopted updated policy by the Board at its meeting held on August 11, 2022.**

# ALPS INDUSTRIES LIMITED

## 1. INTRODUCTION

The Board of Directors (the “Board”) of Alps Industries Limited (the “Company”) has adopted the following policy and procedures with regard to determination of Material Subsidiaries as defined below. The Board may review and amend this policy from time to time.

## 2. TITLE

This Policy shall be called ‘Policy for determining material subsidiaries’.

## 3. OBJECTIVE

The objective of the 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 the Regulations 16 of the SEBI (LODR) Regulations, 2015 (including any amendments thereof).

## 4. DEFINITIONS

- a. **“Audit Committee or Committee”** means “Audit Committee” constituted by the Board of Directors of the Company, from time to time, under provisions of the SEBI (LODR) Regulations, 2015
- b. **“Board of Directors”** or “Board” means the Board of Directors of Alps Industries Limited, as constituted from time to time.
- c. **“Company”** means Alps Industries Limited
- d. **“Independent Director”** means a Director of the Company, not being a whole time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.
- e. **“Policy”** means this Policy, as amended from time to time.
- f. **“Subsidiary”** shall mean a subsidiary as defined under section 2 (87) of the Companies Act 2013 and Rules made thereunder.
- g. **“Material Subsidiary”** A subsidiary shall be considered material if, its income or net worth exceeds 10 per cent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- h. **“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 unlisted subsidiary for the immediately preceding accounting year.

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Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, Securities Contracts (Regulation) Act, 1956 or any other applicable law or regulation.

### **5. Governance framework:**

- i. The Audit Committee of the Company shall periodically review the financial statements, in particular, the investments made by the unlisted subsidiary company.
- ii. The minutes of the Board Meetings of the unlisted subsidiary company shall be placed before the Board of Directors of the Company.
- iii. The management of the unlisted subsidiary 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.
- iv. 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.

For the purposes of this provision, notwithstanding anything to the contrary contained in clause 4(g) above, the term “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds 20 percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding financial year.

- v. The Company shall obtain prior approval of shareholders by way of special resolution, if the disposal of shares in its material subsidiary (either on its own or together with other subsidiaries) results in reduction of its shareholding, to less than 50 percent or the Company ceases the exercise of control over such subsidiary;

Such approval shall not be required if the disinvestment is:

- 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.

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- vi. The Company shall obtain prior approval of shareholders by way of special resolution, if any sale, disposal and leasing of assets amounting to more than 20 percent of the assets of the material subsidiary on an aggregate basis during a financial year;

Such approval shall not be required, if such sale, disposal, lease of assets is:

- 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.

- vii. Every material unlisted subsidiary incorporated in India shall undertake secretarial audit and the secretarial audit report shall be annexed with the annual report of the Company.

### **AMENDMENTS**

The Board may, subject to applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy, based on the recommendations of the Audit Committee. In case of any time gap between the adoption of updated policy, the provisions of the relevant law will be applicable.

The Board may also establish further rules and procedures, from time to time, to give effect to this Policy and to ensure governance of material subsidiary companies.

### **SCOPE AND LIMITATION**

In the event of any conflict between the provisions of this Policy and the Listing Agreement/Companies Act, 2013 or any other statutory enactments, rules, the provisions of such Listing Agreement/Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

### **DISCLOSURES**

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.