

Regd. Office: 49, Guirawala Town,
Part -II, New Delhi -110009
Phone: 011-31301928
Email: alpsmotorfinance@yahoo.co.in
Web: <http://www.alpsmotor.com/>
CIN : L65923DL1987PLC027305



1. Preamble

The Board of Directors (the “Board”) of **ALPS MOTOR FINANCE LIMITED** (the “Company”), has adopted the following policy and procedures with regard to determination of “material Subsidiaries” of the Company as defined below. The Board may review and amend this policy from time to time.

This policy will be applicable to the Company. This policy is to regulate the investments of Company in Subsidiaries and oversee the functioning of subsidiaries based on the applicable laws and regulations applicable on the Company.

2. Purpose

This policy is framed as per requirement of Clause 49 of the Listing Agreement entered by the Company with the Stock Exchanges and intended to ensure that Board of Directors has overall supervision of functioning of Subsidiaries of the Company and to provide the governance framework for such subsidiaries.

3. Definitions

“**Audit Committee or Committee**” means Committee of Board of Directors of the Company constituted under provisions of Listing agreement and Companies Act, 2013.

“**Board**” means Board of **ALPS MOTOR FINANCE LIMITED**, as constituted from time to time.

“**Company**” means **ALPS MOTOR FINANCE LIMITED**.

“**Material Subsidiary**” means a Subsidiary in which the investment of the Company exceeds twenty per cent of its consolidated net worth as per the audited balance sheet of the previous financial year or if the Subsidiary has generated twenty per cent of the consolidated income of the company during the previous financial year.

“**Material Non-Listed Indian Subsidiary**” means an unlisted Subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the Company and its Subsidiaries in the immediately preceding accounting year.

“**Policy**” means Policy on Material Subsidiaries.

“Significant Transaction or Arrangement” means 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 unlisted Subsidiary for the immediately preceding accounting year.

“Holding Company”, in relation to one or more other companies, means a company of which such companies are subsidiary companies.

“Subsidiary Company” or **“Subsidiary”**, in relation to any other company (that is to say the holding company), means a company in which the holding company—

- (i) Controls the composition of the Board of Directors; or
- (ii) Exercises or controls more than one-half of the total share capital either at its own or together with one or more of its subsidiary companies:

Provided that such class or classes of holding companies as may be prescribed shall not have layers of subsidiaries beyond such numbers as may be prescribed.

Explanation.—for the purposes of this clause,—

- (a) a company shall be deemed to be a subsidiary company of the holding company even if the control referred to in sub-clause (i) or sub-clause (ii) above is of another subsidiary company of the holding company;
- (b) the composition of a company’s Board of Directors shall be deemed to be controlled by another company if that other company by exercise of some power exercisable by it at its discretion can appoint or remove all or a majority of the directors;
- (c) The expression “company” includes any body corporate;
- (d) “Layer” in relation to a holding company means its subsidiary or subsidiaries.

“Control” shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.

“The Independent Director” shall mean an Independent Director as defined under section 2 (47) read with section 149 (5) of the Act.

“Consolidated Income or Net worth” means the total income or net worth of the Company and its subsidiaries.

4. Policy & Procedure

1. A subsidiary shall be a **Material Subsidiary**, if any of the following conditions are satisfied:

- a. In which the Investment of the Company/Proposed Investment, exceeds 20% of its consolidated net worth as per the audited balance sheet of the previous financial year; or

b. Which have generated twenty per cent of the consolidated income of the Company during the previous financial year.

2. At least One **Independent Director** of the Company shall be a director on the Board of the Material Non-Listed Indian Subsidiary Company.

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

4. The minutes of the Board Meetings of the Unlisted Subsidiary Companies shall be placed before the Board of the Company.

5. The management 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.

6. The management shall present to the Audit Committee annually the list of such subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board including recommendation for appointment of Independent Director in the Material Non-Listed Indian Subsidiary.

5. Disposal of 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 50% or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting except in cases where such disinvestment is made under a scheme of arrangement duly approved by a Court/Tribunal.

The company shall not sell, dispose & lease of assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year without prior approval of the shareholders by way of passing special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by Court/Tribunal.

6. Compliance by Step down Subsidiaries

Where a company has a listed subsidiary which is itself a holding company, this policy shall apply to the listed subsidiary insofar as its subsidiaries are concerned.

7. Disclosures

The Policy for determining material subsidiaries shall be disclosed on the Company's Website and a web link thereto shall be provided in the Annual Report of the Company.

8. Amendment

The Company reserves the right to amend, modify, suspend or rescind this Policy in whole or in part, at any point of time.

=====