

ALAN SCOTT

INDUSTRIESS LIMITED

Policy for Determining Material Subsidiary

1. Purpose and Scope:

The Policy for determining 'Material Subsidiary' company has been framed in accordance with the provisions of Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Policy will be used to determine the Material Subsidiary of the Alan Scott Industriess Limited ('Alan Scott') and to provide the governance framework for such subsidiary.

Note: All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in the absence of its definition and explanation therein, as per the Companies Act, 2013 and the Rules, Notifications, Circulars made/issued thereunder, as amended from time to time.

2. Identification of 'Material Subsidiary':

A subsidiary company shall be considered material if, its income or networth exceeds 10 percent of the consolidated income or net-worth of Alan Scott and its subsidiaries in the immediately preceding accounting year.

3. Governance Framework:

- a) The Audit Committee of the Alan Scott shall periodically review the financial statements and in particular, investments made by such unlisted subsidiary company.

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- c) The management of such unlisted subsidiary shall periodically bring to the attention of the Board of Directors of Alan Scott, a statement of all significant transactions and arrangements entered into by such unlisted subsidiary.

Explanation: A transaction or arrangement shall be considered significant, if it exceeds or is likely to exceed 10 percent of total revenues or total expenses or total assets or liabilities as the case may be, of such unlisted subsidiary for the immediately preceding financial year.

- d) At least one Independent Director of Alan Scott shall be a Director on the Board of such unlisted material subsidiary, whether incorporated in India or not.

Explanation: For the purpose of this provision, notwithstanding anything contained in Clause 2 above, the term 'Material Subsidiary' shall mean a subsidiary, whose income or networth exceeds 20 percent of the consolidated income or networth of Alan Scott and its subsidiaries in the immediately preceding financial year.

- e) Alan Scott shall obtain prior approval of its 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 Alan Scott ceases the control over such subsidiary. Such approval shall not be required, if the disinvestment is -

- Under a Scheme of arrangement duly approved by the Court/Tribunal, or
- Under a resolution plan duly approved by National Company Law Tribunal/ Court under the Insolvency Code and such an event is disclosed to the recognised stock exchanges where the shares of Alan Scott are listed, within one day of the resolution plan being approved.

- f) Alan Scott shall obtain prior approval of its shareholders by way of special resolution, if any sale, disposal and leasing of assets amounts to more than 20 percent of the assets

of such material subsidiary on an aggregate basis during a financial year. Such approval shall not be required, if such sales, disposal or lease of assets is -

- Under a Scheme of arrangement duly approved by the Court/Tribunal, or
- Under a resolution plan duly approved under the Insolvency Code and such an event is disclosed to the recognized stock exchanges where shares of Alan Scott are listed within one day of the resolution plan being approved.

g) Every unlisted Material Subsidiary company incorporated in India shall undertake secretarial audit and such audit report shall be annexed with the annual report of the Alan Scott.

4. Policy Review:

This policy shall be reviewed as may be deemed necessary and in accordance with any regulatory amendments.

5. Website:

This Policy shall be hosted on the website of the Alan Scott.
