



POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

OF

SOLAR INDUSTRIES INDIA LIMITED

Effective From: March 30, 2019
1st Amended on: November 2, 2023

1. INTRODUCTION

The Board of Directors (the “Board”) of Solar Industries India 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.

This Policy for determining material Subsidiary has been framed in accordance with the provision of Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

2. POLICY OBJECTIVE

The objective of this Policy is to determine -

1. Meaning of ‘Material’ Subsidiary
2. Requirement of Independent Director in certain Material Non Listed Indian Subsidiaries
3. Restriction on disposal of Shares of a Material Subsidiary by the Company
4. Restriction on transfer of Assets of a Material Subsidiary and
5. Disclosure requirements, as prescribed under SEBI LODR.
6. Secretarial Audit by Material Unlisted Subsidiary by the Company

3. DEFINITIONS

“Company”	means Solar Industries India Limited
“Material Subsidiary”	means a Subsidiary, whose income or net worth exceeds ten percent (10%) of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.
“Material unlisted Indian Subsidiary”	shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds ten percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
“Significant Transaction or Arrangement	Is any individual transaction or arrangement that exceeds or is likely to exceed ten percent (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.
“Subsidiary”	Shall mean as defined under the Companies Act, 2013 and the Rules made thereunder. Where a listed holding company has a listed subsidiary which is itself a holding company, the above provisions shall apply to the listed subsidiary in so far as its subsidiaries are concerned.

“Unlisted Subsidiary” means subsidiary whose securities are not listed on any recognized Stock Exchanges.

4. POLICY

1. The Audit Committee shall also review the financial statements, in particular, the investments made by the unlisted subsidiary of the Company.
2. The minutes of the Board meetings of the unlisted subsidiary company shall be placed at the Board meeting of the Company at regular intervals.
3. The management of the unlisted subsidiary shall periodically bring to the attention of the Board of Director of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary Company. A transaction or arrangement shall be considered significant if it exceeds 10 Percent of total revenue or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding financial year.
4. 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. Only for the purposes of this provision, notwithstanding anything to the contrary contained in regulation 16 (1) (c), 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.

5. Significant Transactions / Arrangements of a Non Listed Material Subsidiary

The management should periodically bring to the attention of the Board of the Company, a Statement of all Significant Transactions and Arrangements entered into by any Unlisted Material Subsidiary Company.

6. Restrictions on Disposal of Shares of a 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 fifty percent (50%) or cease the exercise of control over the subsidiary without passing a Special Resolution in its General Meeting, except in such cases where divestment 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.

7. Restriction on Transfer of Assets of a Material Subsidiary

Selling, disposing and leasing of Assets, amounting to more than twenty percent (20%) of the Assets of a Material Subsidiary on an aggregate basis during a financial year, shall require prior approval of shareholders of the Company by way of Special Resolution, unless the sale / disposal / lease is made 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.

5. DISCLOSURE:

As prescribed under the Regulation 16(1)(c) of the Listing Regulations, this Policy shall be disclosed in the Company's website i.e. www.solargroup.com and a web link thereto shall be provided in the Annual Report.

6. REVIEW OF THE POLICY

This Policy shall be subject to review as may be deemed necessary and in accordance with any regulatory amendments.

MANISH NUWAL
Managing Director & CEO