



POLICY FOR DETERMINING MATERIAL SUBSIDIARIES OF
SOLAR INDUSTRIES INDIA LIMITED

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, based on revised Clause 49 of the Listing Agreement and any other laws and regulations as may be applicable to the Company.

3. DEFINITIONS

“Company” means Solar Industries India Limited

“Material subsidiary” Is a subsidiary in which:

1. Investment by the Company exceeds twenty percent (20%) of the consolidated net worth as per the audited balance sheet of the previous financial year or
2. If the subsidiary has generated twenty percent (20%) of the consolidated income of the Company during the previous financial year.

“Material Non Listed Indian Subsidiary” Is an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up share capital and free reserves) exceeds twenty percent (20%) 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 insofar as its subsidiaries are concerned.

4. POLICY

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

3. 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.

4. 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.

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.

SATYANARAYAN NUWAL
CHAIRMAN