



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”) (including any amendments thereof).

## 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 Regulation 30(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other laws and regulations as may be applicable to the Company.

## 3. DEFINITIONS

- 3.1 “Act” means the Companies Act 2013 as may be amended from time to time.
- 3.2 “Board of Directors” or “Board” means the Board of Directors of Solar Industries India Limited, as constituted from time to time.
- 3.3 “Company” means Solar Industries India Limited.
- 3.4 “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 Listing Regulations with the Stock Exchanges.
- 3.5 “Subsidiary” Shall mean as defined under the Companies Act, 2013 and the Rules made thereunder.

\*A subsidiary shall be considered as Material if -  
the income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

\* **Material Non Listed Subsidiary** shall mean a Subsidiary which is not listed on the Indian Stock Exchanges and 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.”

A list of such Material subsidiaries and Material Non Listed Subsidiaries shall be presented to the Audit Committee and Board of Directors annually for its noting.

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

**3.6 “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.

#### **4.1 REQUIREMENT REGARDING MATERIAL SUBSIDIARY**

##### 1. 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.

##### 2. 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.

#### **4.2 ADDITIONAL REQUIREMENT FOR MATERIAL NON-LISTED SUBSIDIARY**

\*At least one Independent Director on the Board of the Company shall be a Director on the Board of the material non-listed subsidiary Company.

#### 4.3 REQUIREMENT REGARDING UNLISTED SUBSIDIARY COMPANY

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

The minutes of the Board meetings of the unlisted subsidiary company shall be placed at the Board meeting of the Company.

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.

#### 5. 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.

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.

#### 6. 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](http://www.solargroup.com) and a web link thereto shall be provided in the Annual Report.

#### 7. 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**

*\*Inserted in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018.*