

SOLEX ENERGY LIMITED

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

1. Background

In accordance with Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), every listed company is required to formulate a policy to determine a "material" subsidiary. Additionally, Regulation 46(2)(h) mandates that this policy be published on the company's website. This document outlines the policy adopted by Solex Energy Limited (the "Company") to fulfil these regulatory requirements.

The Board of Directors (the "Board") may amend this policy periodically, ensuring compliance with the Listing Regulations.

2. Objective of the Policy

This Policy aims to:

- Define the term "Material Subsidiary."
- Establish restrictions on the disposal of shares and transfer of assets by the Company in its Material Subsidiary.
- Outline disclosure requirements as per the Listing Regulations and other applicable laws.

3. Definitions

- a. "**Audit Committee**" or "**Committee**" means Audit Committee constituted by the Board of the Company, from time to time under provisions of the Listing Regulations, Reserve Bank of India Act, 1934 and/or the Companies Act, 2013.
- b. "**Board**" or "**Board of Directors**" refers to the Board of Directors of the Company.

CORPORATE OFFICE

301-303, Trinity Business Park, Madhuvan Circle,
L.P. Savani Road, Pal, Surat - 395009, Gujarat, Bharat

REGISTERED OFFICE

Plot No. 131/A, Phase - 1, H.M.Road, G.I.D.C.,
Vitthal Udyognagar, Anand - 388121, Gujarat, Bharat

- c. **"Company"** means Solex Energy Limited.
- d. **"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 shareholder agreements or voting agreements or in any other manner.
- e. **"Independent Director "** has the meaning assigned in the Companies Act, 2013, the Listing Regulations, 2015, and SEBI (Securities Contracts) (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018.
- f. **"Listing Regulations"** refers to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- g. **"Material Subsidiary"** denotes a subsidiary with income or net worth exceeding 10% of the consolidated income or net worth of the Company and its subsidiaries in the previous accounting year.
- h. **"Material Unlisted Subsidiary"** refers to an unlisted Material Subsidiary.
- i. **"Policy"** means Policy on Material Subsidiary(ies).
- j. **"Significant Transaction and Arrangement"** indicates any transaction or arrangement exceeding 10% of the total revenues, expenses, assets, or liabilities of the Unlisted Subsidiary for the preceding accounting year.
- k. **"Subsidiary"** shall be as defined under the Companies Act, 2013 and the Rules made thereunder.

Terms not defined in this Policy but defined in the Companies Act, 2013, the Listing Regulations, 2015, or related rules and regulations, will have the meanings assigned therein.

4. Significant Transactions/Arrangements of Unlisted Subsidiary Companies

The management shall periodically present to the Board a statement of all Significant Transactions and Arrangements entered into by the Unlisted Subsidiary, in a format akin to the one prescribed for disclosing related party transactions on a consolidated basis.

CORPORATE OFFICE

301-303, Trinity Business Park, Madhuvan Circle,
L.P. Savani Road, Pal, Surat - 395009, Gujarat, Bharat

REGISTERED OFFICE

Plot No. 131/A, Phase - 1, H.M.Road, G.I.D.C.,
Vitthal Udyognagar, Anand - 388121, Gujarat, Bharat

5. Restriction on Disposal of Shares of Material Subsidiary

The Company shall not reduce its shareholding in a Material Subsidiary to below 50% or relinquish control without a special resolution passed by the shareholders, except when divestment occurs under a court/tribunal-approved scheme.

6. Restriction on Disposal of Assets of Material Subsidiary

The sale, disposal, or leasing of assets exceeding 20% of a Material Subsidiary's total assets in a financial year requires prior shareholder approval via a special resolution, unless executed under a court/tribunal-approved scheme.

7. Other Provisions Related to Unlisted Subsidiaries/Material Unlisted Subsidiaries

- a. The Audit Committee of the holding company will review the financial statements and investments of the Unlisted Subsidiary.
- b. Minutes of the Unlisted Subsidiary's Board meetings shall be presented at the Company's Board meetings.
- c. Annually, the management shall provide the Board with a list of Material Subsidiaries.

This policy ensures compliance with the Listing Regulations and supports transparent governance within the Company's corporate structure.

CORPORATE OFFICE

301-303, Trinity Business Park, Madhuvan Circle,
L.P. Savani Road, Pal, Surat - 395009, Gujarat, Bharat

REGISTERED OFFICE

Plot No. 131/A, Phase - 1, H.M.Road, G.I.D.C.,
Vitthal Udyognagar, Anand - 388121, Gujarat, Bharat