

## **POLICY FOR DETERMINING MATERIAL SUBSIDIARY**

### **Introduction**

The Board of Directors (the "Board") of InSolare Energy Limited (the "Company") approved this Policy for the determination of "Material Subsidiaries" at its meeting on 16<sup>th</sup> June, 2025 date. This Policy has been formulated in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time (the "Listing Regulations").

The Policy will be used to determine the Material Subsidiary of the company and to provide the governance framework for such subsidiary.

The Policy for determining the 'Material' Subsidiary company has been framed in accordance with the provision of Regulation 16(1) of the SEBI Listing Obligation and Disclosure Requirements) regulation, 2015 ("Listing Regulation").

### **OBJECTIVE**

The objective of this policy is to establish a clear and consistent framework for identifying **"Material Subsidiaries"** of InSolare Energy Limited in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

This policy seeks to ensure that the Company meets the regulatory requirements regarding the disclosure and governance of its subsidiaries. It provides guidelines for determining which subsidiaries are considered material based on their financial significance, operations, or impact on the Company's overall performance.

The policy also aims to ensure transparency, enhance corporate governance, and promote effective monitoring and management of material subsidiaries, thereby safeguarding the interests of the shareholders and stakeholders of the Company.

### **DEFINITIONS**

**"Audit Committee or Committee"** means "Audit Committee" constituted by the Board of Directors of the Company, from time to time, under provisions of the SEBI (LODR) Regulations, 2015

**"Board of Directors"** or "Board" means the Board of Directors of InSolare Energy Limited, as constituted from time to time.

**"Company"** means InSolare Energy Limited

“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 SEBI (LODR) Regulations, 2015.

“**Policy**” means this Policy, as amended from time to time.

“**Subsidiary**” shall mean a subsidiary as defined under the Act and Rules made thereunder.

“**Material Non-Listed Indian Subsidiary**” shall mean a Material Subsidiary which is incorporated in India and is not listed on the Indian Stock Exchanges.

“**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 of the material unlisted subsidiary for the immediately preceding accounting year.

## **POLICY**

A subsidiary shall be considered as **Material** if:

- the investment of the Company in the subsidiary exceeds twenty per cent of its consolidated net worth as per the audited balance sheet of the previous financial year; or
- the subsidiary has generated twenty per cent of the consolidated income of the Company during the previous financial year.

Material Non-Listed Indian Subsidiary shall mean a Subsidiary which is incorporated in India and is not listed on the Indian Stock Exchanges and whose.

- net worth exceeds 20% of the consolidated net worth of the Company as per the audited balance sheet of the previous financial year; or
- Income exceeds 20% of the consolidated income of the Company as per the audited balance sheet of the previous financial year.

The audit committee of the listed entity shall also review the financial statements, particularly the investments made by the unlisted subsidiary.

The management shall present to the Audit Committee annually the list of such subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board including recommendation for appointment of independent Director in the Material Non-Listed Indian Subsidiary.

### **REQUIREMENT REGARDING MATERIAL SUBSIDIARY**

*The Company, without the prior approval of the members by Special Resolution, shall not:*

- a) Dispose shares in Material Subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50%; or
- b) Ceases the exercise of control over the Subsidiary; or
- c) Sell, dispose or lease the assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year,

unless in cases where the divestment/sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

### **REQUIREMENT REGARDING MATERIAL NON-LISTED INDIAN SUBSIDIARY**

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

The minutes of the Board Meetings of the Unlisted Subsidiary Companies shall be placed before the Board of the Company on a yearly basis.

The management shall, on an annual basis, present to the Board of Directors a report detailing all significant transactions and arrangements entered by the unlisted subsidiary company.

### **AMENDMENTS**

Subject to applicable laws, the Board may amend any provision(s) of this Policy, substitute any provision(s) with new ones, or replace the entire Policy with a new one, based on the recommendations of the Audit Committee. Additionally, the Board may introduce further rules and procedures as needed to implement this Policy effectively and ensure proper governance of material subsidiary companies.

### **POLICY REVIEW**

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