

POLICY ON DETERMINING MATERIAL SUBSIDIARIES AND GOVERNANCE FRAMEWORK IN RELATION THERETO

1. Purpose and Scope of the Policy

The Board of Directors (the “Board”) of Alpex Solar Limited (the “Company”), has adopted this policy for determination of “Material Subsidiaries”. The Board may review and amend this policy from time to time. This Policy is in accordance with Regulation 16(1)(c) and Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The primary objective of this policy is to determine material subsidiaries of the Company, to the extent applicable.

Reference to statutory provisions or regulations shall be construed as meaning and including references to any amendment or re-enactment and any amendments to any statutory provisions or regulations or clarifications applicable to the Policy shall automatically be deemed to be included in the Policy, without any further amendment of the Policy by the Board or relevant committee of the Board.

2. Effective Date

This Policy shall be effective from the date of approval of the Board of Directors.

3. Definitions

- a) “Audit Committee” or “Committee” means Audit Committee constituted by the Board of Directors of the Company under the provisions of Listing Regulations, 2015 and the Companies Act, 2013, from time to time.
- b) “Board of Directors” or “Board” means the Board of Directors of Alpex Solar Limited, as constituted from time to time.
- c) “Company” means Alpex Solar Limited.
- d) “Control” shall have the same meaning as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

- e) “Independent Director” means an Independent Director as defined under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.
- f) “Management” means the Senior Management and Key Managerial Personnel of Alpex Solar Limited.
- g) “Policy” means this policy on Material Subsidiaries.
- h) “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 material unlisted subsidiary for the immediately preceding accounting year.
- i) “Subsidiary” means subsidiary company as defined under section 2(87) of the Companies Act, 2013 and the rules made thereunder. “Board” implies the Board of Directors of Alpex Solar Limited.
- j) “Material Subsidiary” means a subsidiary whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year, as per Regulation 16(1)(c) of the Listing Regulations.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the SEBI LODR Regulations, Securities Contract (Regulation) Act, 1956 or any other applicable law or regulation, as amended from time to time.

4. SCOPE & APPLICABILITY

- a. The Subsidiary shall be considered as “Material” if its income or net worth exceeds 10% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.
- b. In case a listed holding company has a listed subsidiary, this Policy shall apply mutatis mutandis to the listed subsidiary insofar as its own subsidiaries are concerned.

5. POLICY

- a. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary on an annual basis.
- b. The minutes of the meetings of the Board of Directors of the unlisted subsidiary shall be placed at the meeting of the Board of Directors of the Company.
- c. The management of the unlisted subsidiary shall periodically bring to the notice of the Board of Directors of the Company, a statement of all Significant Transactions or Arrangements entered into by the unlisted subsidiary.
- d. The management shall present to the Audit Committee annually, the list of subsidiaries together with the details of the materiality defined herein. The Audit Committee shall review the same and make suitable recommendations to the Board.
- e. At least one Independent Director of the Company shall be appointed as a Director on the Board of an unlisted material subsidiary, whether incorporated in India or not,.

in accordance with Regulation 24(1) of the Listing Regulations. For this purpose, “material subsidiary” shall mean a subsidiary, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

- f. The Company’s material unlisted subsidiaries incorporated in India shall undertake secretarial audit and annex with their annual report, a secretarial audit report given by a Company Secretary in practice, as required under Regulation 24A of SEBI Listing Regulations.
- g. The Company shall not, without prior approval of the shareholders by way of a special resolution, undertake the following, in accordance with Regulation 24(5) and 24(6) of SEBI Listing Regulations:
 - i. Dispose of shares in its material subsidiary that would reduce its shareholding (either directly or together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary, except where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal or a resolution plan approved under Section 31 of the Insolvency and Bankruptcy Code, 2016 and disclosed to the recognized stock exchanges within one working day of such approval.
 - ii. Sell, dispose of or lease assets amounting to more than 20% of the material subsidiary’s assets on an aggregate basis during a financial year, unless the transaction is made under a scheme of arrangement approved by a

Court/Tribunal or under a resolution plan approved under Section 31 of the Insolvency and Bankruptcy Code, 2016 and such an event is disclosed to the recognized stock exchanges within one working day of such approval.

6. DISCLOSURES

This Policy shall be disclosed on the Company's website at <https://www.alpexsolar.com/>. A web link to this Policy shall also be disclosed in the Annual Report, in accordance with Regulation 46(2)(h) of the Listing Regulations.

7. AMENDMENTS TO THE POLICY

The Board of Directors may amend or revise this Policy, in whole or in part, at any time as it may deem appropriate, based on recommendations of the Audit Committee or in accordance with amendments to applicable laws. Any or all provisions of this Policy would be subject to revision / amendment in accordance with the rules, regulations, notifications etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities are not consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

- 8.** In case of any subsequent changes in the provisions of the Companies Act, 2013, SEBI Listing Regulations, or any other applicable rules or regulations which make any of the clauses in this Policy inconsistent with the then applicable provisions, the provisions of such laws shall prevail over this Policy and this Policy shall be deemed to be amended accordingly.