



STARLOG ENTERPRISES LIMITED

**POLICY ON MATERIAL
SUBSIDIARIES**



**POLICY ON MATERIAL SUBSIDIARIES
OF
STARLOG ENTERPRISES LIMITED**

Purpose of this policy:

Starlog Enterprises Limited (“**Starlog**” or “**Company**”) is governed amongst others by the rules and regulations framed by Securities Exchange Board of India (“**SEBI**”). SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended (“**Listing Regulations**”) lays out regulatory requirements for material subsidiary companies.

The Board of Directors (the “**Board**”) of the Company has adopted the policy and procedures for determining ‘material’ subsidiary companies (“**Policy**”) in accordance with the provisions of Regulation 16 (c) of the Listing Regulations.

This Policy will be used to determine the material subsidiaries and material unlisted Indian subsidiaries of the Company and to provide the governance framework for such subsidiaries.

All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the Listing Regulations and in the absence of its definition or explanation therein, as per the Companies Act, 2013 (“**Act**”) and the Rules, Notifications and Circulars made/issued thereunder, as amended, from time to time.

The Audit Committee will review the policy periodically and may amend the same from time to time, as may be deemed necessary.

Commencement

The Policy shall come into existence upon the approval of Board of Directors of Starlog Enterprises Limited i.e. with effect from 08.09.2022

Definitions

“Audit Committee” means the committee constituted by the Board of Directors of the Company in accordance with section 177 of the Act and Regulation 18 of the Listing Regulations.

“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 Act and the Listing Regulations.

“Material Subsidiary” shall mean a subsidiary, whose 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 Unlisted Indian Subsidiary” shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds ten percent (10%) of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

“Significant transaction or arrangement” shall mean 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 unlisted subsidiary for the immediately preceding accounting year.

“Subsidiary” shall be as defined under the Act and the rules made thereunder.

“Unlisted Subsidiary” means subsidiary whose securities are not listed on any recognized Stock Exchanges.

Policy and procedure

- At least one independent director on the Board of Directors of the Company shall be a director on the Board of Directors of a material subsidiary company;
- The Audit Committee of the Board of the Company shall review the financial statements, in particular, the investments made by the Subsidiary company;
- The Minutes of the meetings of the Board of Directors of the material Subsidiary shall be placed before the Board 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 material subsidiary company.

- Subsidiary company shall not either by its own or through its nominees, holds any shares in its holding company and no holding company shall allot or transfer its shares to any of its subsidiary companies. Nothing contained in this clause shall apply in the following circumstances:
 - i) Where the subsidiary company holds such shares as the legal representative of a deceased member of the holding company; or
 - ii) Where the subsidiary company holds such shares as a trustee; or
 - iii) Where the subsidiary company is a shareholder even before it became a subsidiary company of the holding company.
- 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 or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal.
- The Company shall include particulars of its subsidiary companies in its annual filing.

Disclosures

The Company shall disclose in its Board's report, details of this Policy as required under the Act and the Listing Regulations. This Policy shall be disclosed on the Company's website and a web link thereto shall be provided in the Board's report.

Limitation and Amendment

In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Listing Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.
