

## Policy for Determining Material Subsidiary

### 1. Purpose and Scope:

The Policy for determining 'material' subsidiary companies has been framed in accordance with the provisions of Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The Policy will be used to determine the Material Subsidiaries of the Company and to provide the governance framework for such subsidiaries.

### 2. Definitions:

- a) In this Policy unless the context otherwise requires:
- (i) **"Act"** means the Companies Act, 2013 and rules issued thereunder.
  - (ii) **"Audit Committee"** means the audit committee constituted by the Board of the Company from time to time as required in accordance with the provisions of Section 177 of the Act and Regulation 18 of the SEBI (LODR) Regulations, 2015;
  - (iii) **"Board"** means the board of directors of the Company;
  - (iv) **"Company"** means Starlite Global Enterprises (India) Limited;
  - (v) **"Control"** shall have the same meaning as assigned to it under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (vi) **"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 SEBI (LODR) Regulations, 2015;
  - (vii) **"SEBI (LODR) Regulations, 2015"** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.
  - (viii) **"Significant Transaction or Arrangement"** means any individual transaction or arrangement that exceeds or is likely to exceed 10% (ten per cent) of the total revenues or total expenses or total assets or total liabilities, as the case may be, of an unlisted subsidiary for the immediately preceding accounting year;
  - (ix) **"Subsidiary"** means a subsidiary as defined under Section 2(87) of the Act;
  - (x) **"Unlisted Subsidiary"** means a Subsidiary of the Company whose shares are not listed on any stock exchange.

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- b) 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 and the Rules, Notifications and Circulars made/issued thereunder, as amended, from time to time.

### **3. Identification of 'Material' subsidiary:**

A subsidiary shall be considered material if, its income or net worth exceeds 10 % (ten per cent) of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding financial year.

### **4. Governance framework:**

- a) At least one Independent Director of the Company shall be a director on the Board of the unlisted material subsidiary company, whether incorporated in India or not.

For the purposes of this provision, notwithstanding anything to the contrary contained in Clause 2 above, the term "material subsidiary" shall mean a subsidiary, whose income or net worth exceeds 20 percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding financial year.

- b) The Audit Committee of the Company shall periodically review the financial statements, in particular, the investments made by the unlisted subsidiary company.
- c) The minutes of the Board Meetings of the unlisted subsidiary company shall be placed before the Board of Directors of the Company.
- d) The management of the unlisted subsidiary 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.

A transaction or arrangement shall be considered significant if it exceeds or is likely to exceed 10 percent of total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding financial year.

- e) The Company shall obtain prior approval of shareholders by way of special resolution, if the disposal of shares in its material subsidiary (either on its own or together with other subsidiaries) results in reduction of its shareholding, to less than 50 percent or the Company ceases the exercise of control over such subsidiary;
- Such approval shall not be required if the disinvestment 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.



- f) The Company shall obtain prior approval of shareholders by way of special resolution, if any sale, disposal and leasing of assets amounting to more than 20 percent of the assets of the material subsidiary on an aggregate basis during a financial year;

Such approval shall not be required, if such sale, disposal, lease of assets 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.

- g) Every material subsidiary incorporated in India shall undertake secretarial audit as referred under Section 204 of the Act by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary and the secretarial audit report shall be annexed with the annual report of the Company.

Explanation:


- “Secretarial Auditor” means a Company Secretary in Practice or a firm of Company Secretary (ies) in practice appointed to conduct the Secretarial Audit.
- “Peer Reviewed Company Secretary” means a Company Secretary in practice, who is either practicing individually or as a sole proprietor or as a partner of a Peer Reviewed Practice Unit, holding a valid certificate of peer review issued by the Institute of Company Secretaries of India.

#### **5. Policy Review:**

The Board shall review the Policy from time to time based on the changing needs and make suitable modifications as may be necessary. The Board can also amend the Policy from time to time in accordance with requirements of, and to ensure compliance with, the provisions of the SEBI (LODR) Regulations, 2015.

#### **6. Website:**

This Policy shall be disclosed on the website of the Company.



**Sanjay Patwari**  
Managing Director  
DIN: 00253330