



**bajaj energy limited**

Registered Office: Bajaj Bhawan, B-10, Sector 3, Noida, Uttar Pradesh- 201301

Website: [www.bajajenergy.com](http://www.bajajenergy.com)

Corporate Identity No. U40102UP2008PLC046764

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# **Policy on Material Subsidiaries**

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**Date: September 26, 2018**

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## 1. INTRODUCTION

In accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the board of directors of Bajaj Energy Limited, has adopted a policy for determination of the material subsidiaries of Bajaj Energy Limited and to provide the governance framework for such material subsidiaries.

## 2. DEFINITIONS

- (i). **“Act”** shall mean the Companies Act, 2013 and rules made thereunder, as amended.
- (ii). **“Audit Committee”** or **“Committee”** means the audit committee constituted or re-constituted by the Board, as the case may be, as per the provisions of the Section 177 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- (iii). **“Board”** shall mean the board of directors of the Company.
- (iv). **“Company”** shall mean Bajaj Energy Limited.
- (v). **“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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- (vi). **“Listing Regulations”** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- (vii). **“Policy”** shall mean this policy on the identification of material subsidiaries.
- (viii). **“Stock Exchange”** shall mean a recognised stock exchange, on which the securities of the Company are listed.
- (ix). **“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 unlisted subsidiary for the immediately preceding accounting year.
- (x). **“Subsidiary”** shall be as defined under the Companies Act, 2013 and the rules made there under.
- (xi). **“Unlisted Subsidiary”** means a Subsidiary whose securities are not listed on any Stock Exchange.

## 3. APPLICABILITY

This Policy provides the governance framework for material subsidiaries of Bajaj Energy Limited.

## **4. POLICY**

### **4.1 Identification of “Material Subsidiary”**

A subsidiary shall be considered as a “Material Subsidiary”, if its income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year. For the purpose of appointment of Independent Director in the Board of unlisted subsidiary whether incorporated in India or not in terms of Regulation 24 of Listing Regulation, a subsidiary will be considered as material, if its income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

### **4.2 Governance Framework:**

1. At least one Independent Director on the Board shall be a director on the board of directors of an unlisted Material Subsidiary, incorporated in India.
2. The Audit Committee of Board shall review the financial statements, in particular, the investments made by the unlisted subsidiary.
3. The minutes of the meetings of the board of directors of the unlisted subsidiary shall be placed at the meeting of the Board.
4. The management of the unlisted subsidiary shall periodically bring to the attention of the Board, a statement of all Significant Transactions and Arrangements entered into by the unlisted subsidiary.

## **5. DISPOSAL OF MATERIAL SUBSIDIARY**

The Company, without the prior approval of the members by special resolution, shall not:

- a. Dispose of shares in its material subsidiary resulting in reduction of 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 except in cases where such divestment is made under a scheme of arrangement duly approved by a court/tribunal, in accordance with the Listing Regulations.
- b. Sell, dispose or lease out assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a court/tribunal, in accordance with the Listing Regulations.

## **6. DISCLOSURES**

The Policy for determining Material Subsidiaries shall be uploaded on the website of the Company and a web link thereto shall be provided in the annual report of the Company.

## **7. POLICY REVIEW AND AMENDMENTS**

The Board reserves the power to review and amend this Policy from time to time. All provisions of this Policy would be subject to applicable law as may be issued by relevant statutory, regulatory and governmental 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.

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