



(Formerly: Bajaj Hindusthan Ltd.)

Registered Office: Golagokarannath, Lakhimpur-Kheri, District Kheri, Uttar Pradesh 262802  
Tel.:+91-5876-233754/5/7/8, 233403, Fax:+91-5876-233401, Website: [www.bajajhindusthan.com](http://www.bajajhindusthan.com)  
[Corporate Identity No.L15420UP1931PLC065243](#)

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# Policy on Material Subsidiaries

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# Policy on Material Subsidiaries

## 1. Introduction

The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “SEBI LODR Regulations 2015”) mandates the listed Companies to frame a Policy to determine material listed or non-listed Indian or foreign subsidiaries of the Company, wherever applicable, and complying with disclosure/other requirements regarding such subsidiaries. Accordingly, the “Policy on Material Subsidiaries” has been framed by the Board of Directors of the Company.

## 2. Applicability and effective date

This Policy provides the governance framework for material subsidiaries of Bajaj Hindusthan Sugar Ltd.

This policy will be applicable to the Company effective from February 03, 2016.

Similar Policy framed pursuant to Clause 49 of the Listing agreement will cease to have effect.

## 3. Scope and Purpose

This policy will be used to determine the Material Subsidiaries of Bajaj Hindusthan Sugar Limited and to provide the governance framework for such subsidiaries.

## 4. Definitions

“**Audit Committee or Committee**” means “Audit Committee” constituted by the Board of Directors of the Company, from time to time, under provisions of Listing Agreement with the Stock Exchanges and The Companies Act, 2013.

“**Board of Director**” or “**Board**” means the Board of Directors of Bajaj Hindusthan Sugar Limited, as constituted from time to time.

“**Company**” means a company incorporated under the Companies Act, 2013 or under any previous company law.

“**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 Listing Agreement with the Stock Exchanges.

“**Policy**” means Policy on Material subsidiary.

“**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,

as the case may be, of the material unlisted subsidiary for the immediately preceding accounting year.

“**Subsidiary**” shall be as defined under the Companies Act, 2013 and the Rules made thereunder.

## **5. Policy**

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

- i) A “Material Subsidiary” shall mean shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.
- ii) Material non- listed Indian subsidiary” shall mean an unlisted subsidiary, incorporated in India, whose income or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated income or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

### **5.2 Governance Framework:**

1. One Independent Director of the Company shall be a director on the Board of the Material Non-Listed Indian Subsidiary Company.
2. The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary Company on an annual basis.
3. The minutes of the Board Meetings of the Unlisted Subsidiary Companies shall be placed before the Board of the Company on an half yearly basis.
4. The management shall on a periodical basis 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.
5. 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.

## **6. Disposal of 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;

except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/ Tribunal.

## **7. Disclosures**

The Policy for determining material subsidiaries is to be uploaded at [www.bajajhindusthan.com](http://www.bajajhindusthan.com) and a web link thereto shall be provided in the Annual Report.

## **8. Policy Review and Amendments**

The Board of Directors reserves the power to review and amend this policy from time to time. Any exceptions to the Policy on determination of Material Subsidiaries must be consistent with SEBI (LODR) Regulations 2015 and must be approved in the manner as may be decided by the Board of Directors.

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