

Bajaj Consumer Care Limited

CIN: L01110RJ2006PLC047173 Web: www.bajajconsumercare.com Tel.: +91 0294-2561631, 2561632
Registered Office: Old Station Road, Sevashram Chouraha, Udaipur- 313 001, Rajasthan

Policy on Material Subsidiaries

(Amended on 06.05.2022)

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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 Consumer Care Limited, has adopted a policy for determination of its material subsidiaries and to provide the governance framework for such material subsidiaries.

2. Definitions

- 1) **“Act”** shall mean the Companies Act, 2013 and rules made thereunder, as amended from time to time.
- 2) **“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.
- 3) **“Board”** shall mean the board of directors of the Company as constituted from time to time
- 4) **“Company”** shall mean Bajaj Consumer Care Limited.
- 5) **“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.
- 6) **“Listing Regulations”** shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- 7) **“Policy”** shall mean this policy on the identification of material subsidiaries.
- 8) **“Stock Exchange”** shall mean a recognised stock exchange, on which the securities of the Company are listed.
- 9) **“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.
- 10) **“Subsidiary”** shall be as defined under the Companies Act, 2013 and the rules made there under.
- 11) **“Unlisted Subsidiary”** means a Subsidiary of a Company whose securities are not listed on any Stock Exchange.

3. Applicability

This Policy provides the governance framework for material subsidiaries of Bajaj Consumer Care 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 on the Board of unlisted material subsidiary whether incorporated in India or not, in terms of Regulation 24 of Listing Regulation, a subsidiary will be considered as material, only 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 or not.
2. The Company shall direct the material unlisted subsidiaries to undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice
3. The Audit Committee of the Company shall annually, review the list of subsidiaries together with the details of the materiality defined herein and make suitable recommendations to the Board.

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 or equal to 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 or under a resolution plan approved under Insolvency code and disclosed it 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 or under a resolution plan approved under Insolvency code and disclosed it in accordance with the Listing Regulations, in accordance with the Listing Regulations.

Provided the related party shall not vote to approve the transaction as specified in Clause 5.

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 and shall be reviewed atleast once in 3 years 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.
