

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

1. PREAMBLE

In terms of Regulation 16 of the Securities and Exchanges Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("Listing Regulations") as amended from time to time, Eveready Industries India Limited (the Company) had formulated a Policy for determination and governance of Material Subsidiaries.

2. DEFINITIONS

"Audit Committee" implies the audit committee constituted by the Board of Directors of the Company from time to time under provisions of the Listing Regulations and Section 177 of the Companies Act, 2013.

"Board" implies Board of Directors of Eveready Industries India Limited.

"Company" implies Eveready Industries India Limited.

"Control" shall include the right to appoint majority of the directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholder agreements or voting agreements or in any other manner.

"Directors" implies all the Directors on the Board.

"Independent Director" or "ID" implies a non-executive Director of the Company, other than a nominee Director and who is neither a promoter nor belongs to the promoter group of the company, and who satisfies other criteria for independence mentioned in the Companies Act, 2013 and the Listing Regulations.

"Listing Regulations" implies the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto.

"Material Subsidiary" implies a subsidiary whose turnover or net worth exceeds 10% of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

"Policy" implies this policy on determination of Material Subsidiaries of the Company.

"Significant Transaction or Arrangement" implies 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.

"Subsidiary" shall mean as defined under Section 2(87) of the Companies Act, 2013.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013 ('Act'), the Listing Regulations, Securities Contract (Regulation) Act, 1956 or any other applicable law or regulation, as amended from time to time.

3. PURPOSE OF THE POLICY

The purpose of this Policy is determination of Material Subsidiaries and disclosure thereof as required under the Listing Regulations. The Policy also intends to ensure governance of Material Subsidiary companies by complying with directorship requirements, review of financial statements, bringing to the attention of the Board certain transactions/arrangements, rules regarding disinvestment of shares held by the Company and restrictions on selling/ disposing/ leasing of assets of such subsidiaries by the Company and making disclosures about specific events occurring in material subsidiaries.

4. OBJECTIVE OF THE POLICY

The objective of this Policy is to (a) determine who are the Company's Material Subsidiary(ies) (b) requirement of Independent Director in certain unlisted material subsidiaries, incorporated in India or not (c) restriction on disposal of shares of Material Subsidiary by the Company (d) restriction on transfer of assets of Material Subsidiary and (e) disclosure requirements, under the Listing Regulations, as amended, and any other laws and regulations as may be applicable to the Company.

5. INDEPENDENT DIRECTOR ON THE BOARD OF MATERIAL UNLISTED SUBSIDIARY INCORPORATED IN INDIA OR OVERSEAS

At least one Independent Director on the Board of the Company shall be a director on the board of the unlisted Material Subsidiary, whether incorporated in India or overseas.

Material Subsidiary, here, shall mean a subsidiary whose turnover or net worth exceeds 20% of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

6. SIGNIFICANT TRANSACTIONS/ARRANGEMENTS OF UNLISTED SUBSIDIARY COMPANIES

The management should periodically submit to the Board a statement of all Significant Transactions and Arrangements entered into by the unlisted Subsidiary company.

7. RESTRICTION ON DISPOSAL OF SHARES IN MATERIAL SUBSIDIARY BY THE 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 or equal to fifty percent [50%] or cease the exercise of control over the subsidiary without passing a special resolution in its General Meeting except in such cases where divestment is made under a scheme of arrangement duly approved by a court/ tribunal or under a resolution plan



duly approved under the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

8. RESTRICTION ON DISPOSAL OF ASSETS OF MATERIAL SUBSIDIARY

Selling, disposing and leasing of assets amounting to more than twenty percent [20%] of the assets of the Material Subsidiary on an aggregate basis during a financial year shall require prior approval of shareholders by way of special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a court/tribunal or under a resolution plan duly approved under the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved. However, these provisions shall not be applicable if such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the Company.

9. REPORTING AND DISCLOSURE

This Policy shall be disclosed on the Company's website and a web link thereto shall be disclosed in the section on Corporate Governance Report of the Annual Report of the Company.

10. AMENDMENT

This Policy shall be subject to review as may be deemed necessary as per regulatory amendments. The right to amend or modify this Policy vests in the Board of Directors of the Company.

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 and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Adopted on 11.11.2014

Last Revised on 25.01.2016

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