



Paramount Cosmetics (India) Limited

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

I. INTRODUCTION:

This Policy shall be called 'Policy for Determining Material Subsidiaries' of Paramount Cosmetics (India) Limited

This Policy has been framed as per the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

II. OBJECTIVE:

This Policy provides the criteria for determining the Materiality of Subsidiary Companies of Paramount Cosmetics (India) Limited, as applicable.

III. DEFINITION OF SUBSIDIARY COMPANY:

As per Section 2(87) of the Companies Act, 2013, a 'Subsidiary Company' or 'Subsidiary', in relation to any other company (that is to say the holding company), means a company in which the holding company-

- i. controls the composition of the Board of Directors; or
- ii. exercises or controls more than one-half of the total voting power either on its own or together with one or more of its subsidiary companies:

Provided that such class or classes of holding companies as may be prescribed shall not have layers of subsidiaries beyond such numbers as may be prescribed.

Explanation. —For the purposes of this clause

1. A company shall be deemed to be a subsidiary company of the holding company even if the control referred to in sub-clause (i) or sub-clause (ii) is of another subsidiary company of the holding company.
2. The composition of a company's Board of Directors shall be deemed to be controlled by another company if that other company, by exercising some power exercising by it at its discretion can appoint or remove all or a majority of the directors.
3. the expression "Company" includes any body corporate
4. "layer" in relation to a holding company means its subsidiary or subsidiaries

IV. CRITERIA FOR DETERMINING THE MATERIALITY OF SUBSIDIARIES:

A subsidiary of Paramount Cosmetics (India) Limited shall be considered a 'Material Subsidiary' whose turnover or net worth exceeds ten percent of the consolidated turnover or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

V. DISCLOSURES:

This Policy shall be disclosed on the Company's website.

VI. POWER TO AMEND:

Paramount Cosmetics (India) Limited shall have the power to amend any of the clauses of this Policy in the light of changes in statutory provisions, as may be notified, from time to time.

The other provision of the Companies Act, 2013, and any change in the definitions and/or any provisions of this Policy pursuant to an amendment in the SEBI LODR or the Act will be effective without any further approval from the Audit Committee / Board. The Audit Committee / Board will be briefed about such changes as amended from time to time.

Further, the right to interpret/amend/modify this Policy vests in the Board of Directors of the Company as may be recommended by the Audit Committee. This Policy will be communicated to all Directors, KMPs, operational employees, and other people concerned of the Company.

VII. MISCELLANEOUS:

In case of any conflict between the policy and the applicable law, the law shall prevail.

This Policy was approved by the Board of Directors on recommendation by the Audit Committee at their respective meetings held on 11th February 2025.