

**SHALIMAR PAINTS LIMITED**  
**POLICY FOR DETERMINING “MATERIAL” SUBSIDIARIES**

*Last amended on February 12, 2026*

## **1. PHILOSOPHY**

This policy is called “SHALIMAR PAINTS LIMITED – POLICY FOR DETERMINING “MATERIAL” SUBSIDIARIES (hereinafter referred to as “this Policy”).

This policy intends to comply with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to determine material subsidiaries of the Company.

Shalimar Paints Limited (hereinafter referred to as “the Company”) does not have any material subsidiary.

The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all applicable laws and regulations, as may be amended from time to time.

## **2. MEANING OF TERMS USED**

- a. **“Act”** means the Companies Act, 2013 including the rules, schedules, clarifications and guidelines issued by the Ministry of Corporate Affairs from time to time.
- b. **“Audit Committee”** shall mean the Audit Committee of the Board of Directors or such other Committee as may be approved by the Board of Directors, from time to time, under the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- c. **“Board”** refers to the Board of Directors of Shalimar Paints Limited
- d. **“Company”** or **“Shalimar Paints”** refers to Shalimar Paints Limited pursuant to this policy, having its Registered Office at Stainless Centre, 4<sup>th</sup> Floor, Plot No. 50, Sector-32, Gurugram, Haryana-122001
- e. **“Independent Director”** shall mean a Director of the Company, other than a managing director or a whole-time director or a nominee director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies the criteria laid down under Section 149 of the Companies Act, 2013 and the SEBI (LODR), as amended from time to time.
- f. **“Material Subsidiary”** shall mean 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.
- g. **“Material Unlisted Indian Subsidiary (ies)”** shall mean an unlisted subsidiary, incorporated in India, whose 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.
- h. **“Net Worth”** shall mean as defined under the Companies Act, 2013 read with relevant Rules made there under, as may be amended from time to time

- i. **“Peer Reviewed Company Secretary”** means a Company Secretary in practice, who is either practicing individually or as a sole proprietor or as a partner of a Peer Reviewed Practice Unit, holding a valid certificate of peer review issued by the Institute of Company Secretaries of India.
- j. **“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.
- k. **“Subsidiary”** shall mean subsidiary as defined under the Companies Act, 2013 read with relevant Rules made there under, as may be amended from time to time.

*All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the SEBI (LODR) and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder, as amended, from time to time.*

### **3. POLICY AND PROCEDURES**

- I. The Company shall consider a subsidiary as a material subsidiary if its 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.
- II. At least one independent director on the board of directors of the Company shall be a director on the board of directors of an unlisted material subsidiary, whether incorporated in India or not.

*[Explanation: Only for the purposes of this provision, the term “material subsidiary” shall mean subsidiary, whose turnover or net worth exceeds twenty percent of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.]*

- III. The audit committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary on a quarterly basis.
- IV. The minutes of the meetings of the Board of Directors of the unlisted subsidiary shall be placed at the meeting of the Board of Directors of the Company
- V. The management of the unlisted subsidiary shall periodically bring to the notice of the board of directors of the listed entity, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary.
- VI. Every Material Unlisted Indian Subsidiary of the Company shall undertake secretarial audit by a Secretarial Auditor who shall be a Peer Reviewed Company Secretary and the Company shall annex with its annual report, a secretarial audit report, in such form as may be prescribed.

### **4. DISPOSAL OF MATERIAL SUBSIDIARY**

The Company, without prior approval of the members by Special Resolution, shall not

- a. Dispose off shares in Material Subsidiaries that reduces its shareholding (either on its own or together with other subsidiaries) to less than 50%, or cease the exercise of control over the subsidiary, or
- b. Selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the material subsidiary on an aggregate basis during a financial year.

The approval of shareholders shall not be required in case where such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the Company.

In cases where such divestment/sale/ disposal/ lease is made under the scheme of arrangement duly approved by a Court/ Tribunal or under a plan duly approved under section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved, no such resolution of the shareholders will be required to be passed.

## **5. DISCLOSURE REQUIREMENTS**

This Policy shall be uploaded on the Company's website. A web link to the policy shall be disclosed in the Annual Report of the Company.

## **6. REVIEW AND AMENDMENT**

- a. This Policy may be reviewed and amended by the Board of Directors of the Company in accordance with the statutory requirements.
- b. In case of any inconsistency between this Policy and any statutory provisions or regulatory requirements, the latter shall prevail and the Policy shall be deemed to be amended accordingly from the effective date of such changes.