Piramal Finance Limited

(Formerly known as Piramal Capital & Housing Finance Limited)

Policy for Determining Material Subsidiaries

Review date – 19th October 2026

PIRAMAL FINANCE LIMITED
(Formerly known as Piramal Capital & Housing Finance Limited)
(**CIN:** L64910MH1984PLC032639)
Reg. Off.: 601, 6th Floor, Amiti Building, Piramal Corporate Park, Kamani Junction, Opp. Fire Station, LBS Marg, Kurla (West), Mumbai - 400070
Telephone: +91-22- 6918 1200. Fax: +91-22-6835 9780
E-mail: corporate.secretarial@piramal.com
Website: www.piramalfinance.com

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

1. Preamble

This amended and restated Policy for Determining Material Subsidiaries ("Policy") has been formulated pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Regulations") as amended by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2024 ('the Amendment Regulations') which come into force w.e.f. 12th December, 2024 or as stated in the Amendment Regulations. This amended and restated policy comes into effect from 27th January, 2025 and replaces the earlier policy.

2. Introduction

The Board of Directors (the "Board") of Piramal Finance Limited (Formerly known as Piramal Capital & Housing Finance Limited)(the "Company") has adopted the following policy and procedures with regard to determination of Material Subsidiaries as defined below. The Board may review and amend this policy from time to time. While doing so, the Board shall take into consideration the recommendations, if any, of the Audit Committee.

3. Policy Objective

This Policy has been formulated in compliance with the requirements of the Explanation to clause (c) of sub regulation (1) of regulation 16 of the Regulations. The objective of this Policy is to determine the Material Subsidiaries of the Company in compliance with the aforesaid regulatory requirements.

4. Definitions

4.1 **"Accounting Year"** means the financial year of the Company as prevailing from time to time. The financial year of the Company presently commences from 1st April every year

and concludes on 31st March of the immediately succeeding year.

4.2 **"Act"** means the Companies Act, 2013 as prevailing from time to time.

4.3 **"Audit Committee"** means the Audit Committee of the Company known as the Audit & Risk Management Committee.

4.4 **"Board of Directors"** or **"Board"** means the Board of Directors of the Company.

4.5 **"Company"** means Piramal Finance Limited (Formerly known as Piramal Capital & Housing Finance Limited).

4.6 **"Independent Director"** means a director of the Company, not being a whole time director and who satisfies other criteria for independence under the Act and the Regulations.

4.7 **"Policy"** means this Policy for Determining Material Subsidiaries.

4.8 **"Material Subsidiary"** shall have the meaning as defined in regulation 16(1)(c) of the Regulations, as per which, it means a 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.

4.9 **"Significant Transaction or Arrangement"** shall mean any individual transaction or arrangement that exceeds or is likely to exceed ten percent of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted material subsidiary for the immediately preceding accounting year.

4.10 **"Subsidiary"** shall be as defined under section 2(87) of the Companies Act, 2013 and the Rules made thereunder.

4.11 **"Unlisted Subsidiary Company"** shall mean any subsidiary of the Company which is not listed on the Stock Exchanges in India PROVIDED THAT where this term is defined (whether by way of definition, clarification or explanation) under the Regulations, it shall have the meaning as per such definition.

5. Policy

5.1 In determining whether or not a subsidiary of the Company is or has become a material subsidiary, the Company shall be guided by and follow this Policy and the applicable provisions of the Regulations. Where there is a conflict between this Policy and the

Regulations, the provisions of the Regulations shall prevail in making such determination.

5.2 Notwithstanding anything to the contrary that may be contained in this Policy, the provisions of this Policy shall be subject to the applicable provisions of the Regulations, as amended from time to time.

5.3 The Audit Committee shall review the financial statements, in particular, the investments made by the Unlisted Subsidiary Company.

5.4 The minutes of the Board Meetings of the Unlisted Subsidiary Company shall be placed at the Board Meeting of the Company on a quarterly basis.

5.5 The management shall on a quarterly 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.

5.6 At least one independent director on the board of directors of the listed entity shall be a director on the board of directors of an unlisted material subsidiary, whether incorporated in India or not.

Explanation- For the purposes of this provision, the term "material subsidiary" shall mean a 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.

5.7 The Company and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice, in such form as may be specified.

6. Disposal of Shareholding in or Control over or Assets of a Material Subsidiary

The Company shall seek prior approval of the shareholders by Special Resolution for the following:

a) Disposing of shares of the Company's Material Subsidiary, which would reduce the Company's shareholding (either on its own or together with other subsidiaries) to less than 50% or which would cease the exercise of control over the subsidiary;

b) Selling, disposing and leasing of assets amounting to more than twenty per cent of the assets of the Material Subsidiary on an aggregate basis during a financial year;

PROVIDED FURTHER THAT the requirement of seeking such approval of shareholders shall not apply where any of the actions under (a) or (b) above are taken or made under a Scheme of Arrangement duly approved by a Court/Tribunal.

7. Annual Review to Determine Materiality of Subsidiaries

For the purpose of complying with the requirements of this Policy, the Audit Committee shall review on an annual basis the criteria of materiality as per this Policy, applicable to the Company's subsidiaries.

8. Disclosures

The Company shall comply with such disclosure requirements relating to this Policy as may be stipulated under the Regulations, as per which, this Policy shall be uploaded on the website of the Company at https://www.piramalfinance.com/ and a web link thereto shall be provided in the Company's Annual Report.

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