



# **PIRAMAL FINANCE LIMITED**

(Formerly known as Piramal Capital & Housing Finance Limited)

## **Policy: Appointment of Statutory Auditors**

**First Approved Date: October 7, 2021**

**[Last Updated: September 24, 2025]**

## **Policy for appointment of Statutory Auditors**

In terms of the extant RBI guidelines, Piramal Finance Limited (Formerly known as Piramal Capital & Housing Finance Limited') (the Company) has adopted the following policy with regard to appointment of statutory auditors of the Company.

### **I. Appointment of the statutory auditors**

The appointment of statutory auditors will be for three continuous years, subject to audit firms continuing to comply with the eligibility norms. The Company on appointment/reappointment of statutory auditors will inform the same to RBI on an annual basis within one month of such appointment. The statutory auditors of the Company will be appointed at the general meeting of shareholders of the Company. The audit firm will not be eligible for re-appointment in the Company for a period of six years after completion of full or part tenure in the Company.

The audit fee of the statutory auditors will be fixed at the general meeting of the shareholders based on recommendation by the Board of the Company.

### **II. Number of statutory auditors**

The statutory audit will be conducted by minimum of one audit firms (Partnership firms/Limited Liability Partnerships). In case the asset size is Rs 15,000 crore or more as at the end of previous year, the statutory audit will be conducted under joint audit of a minimum of two audit firms (Partnership firms/Limited Liability Partnerships).

The Audit Committee will decide on the number of joint statutory auditors, taking into account the relevant factors such as the size and spread of assets, accounting and administrative units, complexity of transactions, level of computerisation, availability of other independent audit inputs, identified risks in financial reporting, etc.

The work allocation between joint auditors will be finalised by the Company in consultation with the Audit Committee of the Company.

### **III. Eligibility criteria of the statutory auditors**

The statutory auditors should fulfil the eligibility norms as prescribed in the RBI guidelines and the Companies Act, 2013, including number of full-time partners, number of Fellow Chartered Accountants (FCAs), number of full time partners/paid CAs with CISA/ISA qualification, number of years of audit experience of the firm, minimum number of professional staff and eligibility in terms of Section 141 of the Companies Act, 2013.

### **IV. Independence of the statutory auditors**

The concurrent auditors of the Company will not be considered for appointment as statutory auditors. The audit of the Company and any entities with large exposure to the Company for the same reference year will also be factored in while assessing the independence of the auditors. The time gap between any non-audit works (services mentioned at Section 144 of Companies Act, 2013, internal assignments, special assignments, etc.) by the statutory auditors for the Company or any audit/non-audit works for its RBI regulated group entities should be at least one year, before or after its

appointment as statutory auditors. However, during the tenure as statutory auditors, an audit firm may provide such services to the Company and its RBI regulated group entities, which may not normally result in a conflict of interest. These restrictions will also apply to an audit firm under the same network of audit firms (as defined in rule 6(3) of the Companies (Audit & Auditors) Rules, 2014) or any other audit firm having common partners.

If an audit firm engaged with audit/non-audit works for the Group entities (which are not regulated by RBI) is being considered by the Company, the Audit Committee will evaluate that there is no conflict of interest and independence of auditors is ensured.

The Audit Committee will monitor and assess the independence of the statutory auditors and conflict of interest position in terms of relevant regulatory provisions, standards and best practices. Any concerns in this regard will be flagged to the Board and concerned Senior Supervisory Manager (SSM)/Regional Office (RO) of RBI.

**V. Review of the performance of statutory auditors**

The Audit Committee of the Company will review the performance of the statutory auditors on an annual basis. Any serious lapses/negligence in audit responsibilities or conduct issues on the part of the statutory auditors or any other relevant matter will be reported to the RBI within two months of completion of annual audit after approval from the Audit Committee.

**VI. Effective date and review of the policy**

The policy will be effective from the year ending March 31, 2022 and will be updated based on any change in guidelines by RBI or any changes recommended by Audit Committee and Board, will be informed to RBI.