

**MANAPPURAM FINANCE LIMITED (MAFIL)**  
**POLICY FOR DETERMINING MATERIAL SUBSIDIARIES**

| Version Control |             |                                     |
|-----------------|-------------|-------------------------------------|
| Version Number  | Version 0.1 | Dated: 14 <sup>th</sup> May 2015    |
| Version Number  | Version 0.2 | Dated: 18 <sup>th</sup> May 2022    |
| Version Number  | Version 0.3 | Dated: 12 <sup>th</sup> May 2023    |
| Version Number  | Version 0.4 | Dated: 13 <sup>th</sup> August 2024 |
| Version Number  | Version 0.5 | Dated: 08 <sup>th</sup> August 2025 |
| Version Number  | Version 0.6 | Dated: 11 <sup>th</sup> August 2026 |

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| <b>Effective Date:</b>   | 11 <sup>th</sup> August 2026 |
| <b>Next Review Date:</b> | 11 <sup>th</sup> August 2027 |
| <b>Policy Owner:</b>     | Secretarial Department       |
| <b>Prepared By:</b>      | Secretarial Department       |
| <b>Reviewed By:</b>      | Audit Committee              |
| <b>Approved By:</b>      | Board of Directors           |

## **1. Purpose and Scope**

As per Regulation 16(1)(c) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), every listed entity shall formulate a policy for determining its ‘material’ subsidiary, and Regulation 46 (2)(h) of the Listing Regulations mandates publishing of the policy by the entity under a separate section on its website. Accordingly, this “Policy for Determining Material Subsidiaries” (the “Policy”) has been adopted by Manappuram Finance Limited (“MAFIL”). The purpose of the Policy is to ensure that MAFIL identifies, monitors and disclose its material subsidiary(ies) in accordance with the Listing Regulations, and to ensure that its material subsidiary(ies) are functioning in a manner consistent with its overall strategy and objectives.

All words and expressions used in the Policy, unless defined herein, shall have the meanings assigned to them under the Listing Regulations. In the absence of such a definition, the words and expressions shall have the meanings assigned to them under the Companies Act, 2013, the Listing Regulations, and the rules, regulations, circulars, notifications and guidelines issued thereunder., as amended from time to time. Further, references to the singular shall be deemed to include references to the plural, and vice versa, unless the context otherwise requires.

## **2. Definitions**

- i. “Audit Committee”** means the Audit Committee constituted by the Board of Directors of the Company from time to time, under section 177 of the Companies Act, 2013 and the Listing Regulations.
- ii. “Subsidiary” or “Subsidiaries”** shall have the same meaning as assigned to the term under the Companies Act, 2013 and the Rules made thereunder.
- iii. “Material Subsidiary”** as per Regulation 16(c) of the Listing Regulations; shall mean a subsidiary whose turnover or net worth exceeds 10% of the consolidated turnover or net worth respectively, of MAFIL and its subsidiaries in the immediately preceding accounting year.
- iv. “Control”** as per Companies Act 2013, 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 shareholders agreements or voting agreements or in any other manner.

- v. **“Secretarial Auditor”** means a Company Secretary in Practice or a firm of Company Secretary(ies) in practice appointed to conduct the Secretarial Audit.
- vi. **“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.

### **3. Identification of ‘Material’ Subsidiary and Governance Framework**

- i. A Subsidiary shall be deemed to be a Material Subsidiary if its turnover or net worth exceeds 10% of the consolidated turnover or net worth respectively of MAFIL and its Subsidiaries in the immediately preceding accounting year.
- ii. MAFIL shall identify its Material Subsidiaries on an annual basis, based on the latest audited consolidated financial statements or earlier if any event requires reclassification. The Audit Committee of the MAFIL shall review the financial statements in particular the investments made by the unlisted Subsidiaries.

MAFIL shall also review and update the list of Material Subsidiaries as and when necessary.

Based on Audited Financial Statements of March 31, 2026, Asirvad Micro Finance Limited is the only Material Subsidiary of MAFIL.

- iii. At least one Independent Director on the Board of Directors of MAFIL shall be a Director on the Board of Directors of its unlisted Material Subsidiary(ies), whether incorporated in India or not. For the purpose of this provision, notwithstanding anything to the contrary contained in Regulation 16(c), the term “Material Subsidiary” shall mean a Subsidiary, whose turnover or net worth exceeds twenty percent of the consolidated turnover or net worth respectively, of the listed entity and its Subsidiaries in the immediately preceding accounting year.

Based on Audited Financial Statements of March 31, 2026, MAFIL does not have any Subsidiary whose turnover or net worth exceeds twenty percent of the consolidated turnover or net worth respectively.

- iv. MAFIL shall not dispose of shares in its Material Subsidiaries resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50% (fifty percent) or cease the exercise of control over the Subsidiary without passing a special resolution in its General Meeting except in cases where such divestment is made under a scheme of arrangement

duly approved by a Court/ Tribunal, or under a resolution plan duly approved under section 31 of the Insolvency and Bankruptcy Code, 2016 and such an event is disclosed to the recognized stock exchange(s) within one day of the resolution plan being approved.

- v. 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 shall require prior approval of shareholders of MAFIL 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 Section 31 of the Insolvency and Bankruptcy Code, 2016 and such an event is disclosed to the recognized stock exchange(s) within one day of the resolution plan being approved.  
Nothing contained in this clause shall be applicable if such sale, disposal or lease of assets is between two wholly - owned Subsidiaries of MAFIL.
- vi. In the event any unlisted Subsidiary of MAFIL qualifies as an unlisted Material Subsidiary under the applicable provisions of the Listing Regulations, such Subsidiary shall undertake Secretarial Audit in accordance with the applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Listing Regulations, as amended from time to time by a Peer Reviewed Company Secretary. The Secretarial Audit Report shall be annexed to the Annual Report of MAFIL, wherever applicable.

#### **4. Disclosure/Dissemination of the Policy**

This Policy shall be hosted on the website of the Company, and a web link thereto shall be provided in the Annual Report of the Company.

#### **5. Applicability of Laws/ Regulations/ Guidelines**

At any time if there is any amendment to the applicable laws, regulations or guidelines affecting the provisions of this Policy, the Policy shall be deemed as amended to the extent applicable and the amended provisions will take effect from the date of change in the underlying laws/ regulations or guidelines.

#### **6. Amendment to the Policy**

The provisions of this Policy may be amended by the Board at any time on the recommendation of the Audit Committee.