

**L&T FINANCE LIMITED
(FORMERLY KNOWN AS L&T FINANCE HOLDINGS LIMITED)**

POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

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1. BACKGROUND AND OBJECTIVES:

As per the provisions of Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the listed entity is required to formulate a policy for determining 'material' subsidiaries. The objective of the policy is to determine the material subsidiaries of the Company in accordance with the provisions of the Listing Regulations.

2. DEFINITIONS:

"Company" means L&T Finance Limited (formerly known as L&T Finance Holdings Limited).

"Policy" means this policy for determining the material subsidiaries of the Company.

"Subsidiary" or "Subsidiaries" means subsidiary or subsidiaries of the Company as defined in sub-section (87) of Section 2 of the Companies Act, 2013.

"Net worth" means net worth as defined in sub-section (57) of Section 2 of the Companies Act, 2013.

3. IDENTIFICATION OF MATERIAL SUBSIDIARY:

A subsidiary shall be considered as material, if the turnover or net worth of a subsidiary company exceeds ten percent of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

4. GOVERNANCE FRAMEWORK:

- i. The Audit Committee of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary company.
- ii. The minutes of the meeting of the board of the unlisted subsidiary company shall be placed before the Board of the Company.
- iii. The management of the unlisted subsidiary shall periodically bring to the notice of the Board of the Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary company.

Explanation - the term – "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 subsidiary for the immediately preceding accounting year.

- iv. At least one independent director of the Company shall be a director on the Board of the unlisted material subsidiary, whether incorporated in India or not.

Explanation – For this clause - 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.

- v. The Company and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex the report with annual report.
- vi. This Policy shall be disclosed on the Company's website and web link thereto shall be provided in the Annual Report.

5. DISPOSAL OF MATERIAL SUBSIDIARY:

- i. The Company shall not dispose shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than or equal to 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 Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.
- ii. 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 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 Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

Nothing contained in clause 5 (ii) shall be applicable if such sale, disposal or lease of assets is between two wholly-owned subsidiaries of the Company.

6. REVIEW / REVISION OF POLICY:

If at any point a conflict of interpretation / information between the Policy and any regulations, rules, guidelines, notification, clarifications, circulars, master circulars/ directions issued by relevant authorities (“Regulatory Provisions”) arises, then interpretation of the Regulatory Provisions shall prevail.

In case of any amendment(s) and/or clarification(s) to the Regulatory Provisions, the Policy shall stand amended accordingly from the effective date specified as per the Regulatory Provisions.

Last amended/reviewed –January , 2025

VERSION CONTROL

Version	Date of adoption	Change Reference	Owner	Approving Authority
1.	October 2014	-	Secretarial	Board of Directors
2.	October 2017	Changes to reflect the applicable regulatory provisions.	Secretarial	Board of Directors
3.	October 2018	Annual Review (No change)	Secretarial	Board of Directors
4.	April 2019	Changes to reflect the applicable regulatory provisions.	Secretarial	Board of Directors
5.	October 2019	Changes to reflect the applicable regulatory provisions.	Secretarial	Board of Directors
6.	October 2020	Annual Review (No change)	Secretarial	Board of Directors
7.	October 2021	Annual Review <ul style="list-style-type: none"> • LTFH: <ul style="list-style-type: none"> ◦ standardization of the clause on review/ revision of Policy. ◦ Changes due to amendments in the regulatory provisions. • LTF and LTICL: <ul style="list-style-type: none"> ◦ Adoption of policy pursuant to SEBI (LODR) (Fifth Amendment), 2021. 	Secretarial	Board of Directors
8.	October 2022	Annual review (No change)	Secretarial	Board of Directors
9.	November 2023	Annual review <ul style="list-style-type: none"> • References of applicability on entities deleted on account of amalgamation of LTF, LTICL and LTMFTL with the Company. • Changes to reflect the applicable regulatory provisions 	Secretarial	Board of Directors
10.	October 2024	Annual Review (No change)	Secretarial	Board of Directors

11.	January 2025	Changes to reflect the applicable regulatory provisions.	Secretarial	Board of Directors
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LTFH- L&T Finance Holdings Limited, LTF- L&T Finance Limited, LTICL- L&T Infra Credit Limited, LTMFTL- L&T Mutual Fund Trustee Limited