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1.	27/07/2023	Rupal Jain	Board of Directors
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TABLE OF CONTENTS

IIFL FINANCE LIMITED

POLICY FOR DETERMINATION OF MATERIALITY OF INFORMATION OR EVENTS

1. SCOPE AND PURPOSE:

In accordance with the provisions of regulation 30 and 51 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, IIFL Finance Limited ("The Company") recognizes the need to frame the policy for determination of Materiality of Information or Events. In this regard, the Board of Directors of the Company has adopted the following policy and procedures with regard to determination of Material Information or events.

The Company endeavors to attain high level of transparency, fairness, accountability and equity with the ultimate objective of providing maximum customer satisfaction & increasing long term shareholders value keeping in view the needs and interest of all stakeholders. To achieve these objectives, the Company hereby notifies this Policy for Determination of Materiality of Information or Events.

2. APPLICABILITY:

This policy shall be applicable to all the events in the Company, as and when they fall under the criteria enumerated in the policy.

3. DEFINITIONS:

a. **"Archival Policy"** means the Policy of the Company on Preservation of documents / Archival policy;

b. "**Board**" means the Board of Directors of IIFL Finance Limited;

c. "**Compliance Officer**" means the Company Secretary of the Company;

d. "**Key Managerial Personnel**" means Key Managerial Personnel as defined in sub-section (51) of Section 2 of the Companies Act, 2013;

e. "**Relevant Employees**" shall include all the Senior Management Personnel of the Company, and such other officials / employees as may be identified by the Authorized Persons (defined herein under) from time to time;

f. "**Non-convertible securities**" means debt securities, non-convertible redeemable preference shares, perpetual non-cumulative preference shares, perpetual debt instruments and any other securities as specified by the Board

g. "**Regulation**" means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modifications or re-enactment thereof;

h. "**Subsidiary**" means a subsidiary as defined under sub-section (87) of Section 2 of the Companies Act, 2013;

i. "**Specified Securities**" means 'equity shares' and 'convertible securities' as defined under clause (eee) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

All other words and expressions used and not defined in this Policy or the Regulation, but defined in the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and / or the rules and regulations made there under, shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

4. OBJECTIVE OF THE POLICY:

The Company believes in principles of disclosure and transparency and understands that timely disclosure of relevant information to the shareholders of the Company is important to protect the interest of shareholders of the Company. Non-Compliance with the principles of disclosure and transparency can present potential risks to Company including not only by way of levy of monetary penalty but also loss of shareholder confidence, non-compliance risks of the various regulations to the Company and may raise questions about the governance practices in the Company.

5. EVENTS WHICH SHALL BE CONSIDERED DEEMED MATERIAL:

The following events/information shall be considered as deemed material:

a. The events with respect for specified securities, mentioned in Para A and Para B of Part A of schedule III of the Regulation and any subsequent modifications thereto, shall be material events and the Company shall make disclosure of such events.

b. The events with respect to Non-convertible Securities, mentioned in Part B of schedule III of the Regulation and any subsequent modifications thereto, shall be material events and the Company shall make disclosure of such events.

6. EVENTS WHICH SHALL BE CONSIDERED AS MATERIAL SUBJECT TO APPLICATION OF THE MATERIALITY GUIDELINES:

The events with respect to specified securities mentioned in Para B of Part A of Schedule III of the Regulation and any subsequent modification thereto, shall be disclosed, based on application of following materiality guidelines as specified in Regulation 30(4). Any other event that is likely to have an impact based on the thresholds specified under Point No. 7 below and is determined to be material by the authorized persons and shall be disclosed to the Stock Exchanges within the timelines prescribed under the applicable Regulations, Circulars, Master Circulars, as amended and in force from time to time.

7. MATERIALITY GUIDELINES:

a. The omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or

b. The omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date; or

c. The omission of an event or information, whose value or the expected impact in terms of value exceeds the lower of the following:

   i. Two percent of turnover, as per the last audited consolidated financial statements of the Company;
   ii. Two percent of net worth, as per the last audited consolidated financial statements of the Company, except in case of the arithmetic value of the net worth is negative;
   iii. Five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company;

d. In cases where the aforesaid criteria specified in sub- clause (a), (b) and (c) above are not applicable, an event/information may be treated as being material if in the opinion of the Board, the event / information is considered material.

In computing the "expected impact in terms of value" of an event/information, the Company should, where applicable, consider the expected impact in the four ensuing quarters (including the quarter in which the event occurs if the event occurs in the first 60 days of the quarter).

While applying the 'quantitative criteria', all of the three parameters specified above may or may not be relevant. Hence, guidance on appropriate parameters (profit / net-worth / turnover) as provided in the Industry Standards note on Regulation 30 would be considered for determination of materiality.

Significant market reaction may be assessed against scrip price, as per the parameters specified by the stock exchange(s).

In certain instances, materiality would depend upon the stage of discussion, negotiation or approval. In that case, the events/information can be said to have occurred upon receipt of approval of the Board and/or upon the receipt of approval of both the Board and the Shareholders.

However, for events where the price sensitivity factor is involved: e.g. decision on declaration of dividends etc., the disclosure shall be made on receipt of approval of the event by the Board of Directors, pending Shareholder's approval.

In certain instances, where no such discussion, negotiation or approval is involved and based on preliminary information about the events/information, cannot reasonably determine whether information is material, can be said to have occurred when the Company becomes aware of the events/information, or as soon as, an officer of the entity has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

In case an event occurs or an information is available with the Company, which has not been indicated above, but which may have material effect on it, the Company shall make adequate disclosures in regard thereof.

8. AUTHORISATION:

The Board of the Company has severally authorized Managing Director, Joint Managing Director, Chief Financial Officer and Company Secretary (herein referred as "officer"/" Authorized Persons"), for the purpose of determining the materiality of an events /information and for making necessary disclosures to Stock exchange(s) under Regulation 30 & 51. The Event/information may pertain to the Company and/or its Material Subsidiaries.

9. MECHANISM FOR IDENTIFYING AND REPORTING POTENTIAL MATERIAL EVENT/ INFORMATION BY RELEVANT EMPLOYEES:

On identification of potential Material Event / Information basis application of the criteria mentioned above, the Relevant Employees need to inform Authorized Persons with adequate supporting data/information, to facilitate a prompt and appropriate disclosure to the Stock exchanges.

The Authorized Persons will then ascertain the materiality of such event(s) or information based on the above guidelines. In addition to this, the KMP while determining the materiality will do so on a case-to-case basis depending on specific facts / circumstances relating to the information / event and apply such other qualitative / quantitative criteria if required and as may be deemed appropriate.

On completion of the assessment, the authorized person(s) shall, if required, make appropriate disclosure(s) to the stock exchanges as per timelines stated in Point No. 10 below.

10. TIMELINE FOR DISCLOSURE OF MATERIAL EVENTS/INFORMATION TO THE STOCK EXCHANGES:

The Company shall disclose all events or information which are material in accordance with the policy as soon as reasonably possible and in any case not later than the following:

(i) 30 minutes from the closure of the meeting of the board of directors in which the decision pertaining to the event or information has been taken.
However, in case the meeting of the board of directors closes after normal trading hours of that day but more than three hours before the beginning of the normal trading hours of the next trading day, the listed entity shall disclose the decision pertaining to the event or information, within three hours from the closure of the board meeting;
(ii) 12 hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;
(iii) 24 hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company:

Provided that disclosure with respect to events for which timelines have been specified in Part A of Schedule III shall be made within such timelines as specified in Annexure 18A of the SEBI Master Circular no. HO/49/14/14(7)2025-CFD-POD2/I/3762/2026 dated January 30, 2026:

In case the event or information emanates from a decision taken in a meeting of board of directors, the same shall be disclosed within 30 minutes or 3 hours, as applicable as per Regulation 30(6), from the closure of such meeting as against the timeline indicated in Annexure 18A.

In case the meeting of the board of directors is being held for more than one day, the financial results shall be disclosed within thirty minutes or three hours, as applicable, from closure of such meeting for the day on which it has been considered.

Provided further that in case the disclosure is made after the timelines specified under this regulation, the Company shall, along with such disclosure(s) provide the explanation for the delay."

The events with respect to Non-Convertible Securities mentioned in Part B of schedule III of the Regulation shall be informed as soon as reasonably possible but not later than 24 hours from the date of occurrence of the event or receipt of information.

In case the disclosure is made after 24 hours of the date of occurrence of the event or receipt of information, the listed entity shall, along with such disclosures, provide an explanation for the delay.

The Regulation further provides that, the Company shall, with respect to disclosures referred to in Regulation 30, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.

Company shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information.

11. GUIDELINES FOR RUMOUR VERIFICATION:

The Company may confirm, deny or clarify any reported event or information in the mainstream media, which is not general in nature and indicates that rumors of an impending specific material event or information that are circulating amongst the investing public and also provide the current stage of such event or information. Such disclosure will be as per the timelines prescribed under Regulation 30 (11) of SEBI Listing Regulations and the promoter, director, key managerial personnel or senior management of the Company shall provide adequate, accurate and timely response to queries raised or explanation sought by the Company in order to ensure compliance with the above mentioned requirements and the Company shall disseminate the response received from such individual(s) promptly to the stock exchanges.

12. GUIDELINES FOR COMMUNICATION:

In case an event or information is required to be disclosed by the Company in terms of the provisions of Regulation 30, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the Company shall disclose such communication, along with the event or information, unless disclosure of such communication is prohibited by such authority.

13. REVIEW/REVISION OF POLICY:

The Board shall review and revise this Policy as and when required.

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.

Any subsequent amendment (s) / modification in the Regulation (s) and /or other applicable laws, the Policy shall stand amended accordingly from the effective date specified as per the Regulatory Provisions.

14. WEBSITE:

As per the provisions of the SEBI Listing Regulations, the Policy shall be disclosed on the website of the Company.

All the disclosures made to the Stock Exchanges under this Policy shall also be disclosed on the Website of the Company and the same shall be hosted for a minimum period of five years and thereafter as per the preservation of documents and archival policy as adopted by the Company.