IIFL Home Finance Limited

POLICY ON DETERMINING MATERIAL SUBSIDIARIES

Version: F.Y. wise version control **<ex: F.Y. 2025-26_Version 1.0/2.0/3.0>**	**F.Y. 2025-26 Version 1.0**
Document Owner	**Company Secretary & Compliance officer**
Prepared and Recommended by	**Corporate Secretarial Department**
Document Classification: Restricted/Internal/Public	**Public**
Date of last Board approval/review	**October 28, 2025**

IIFL Home Finance Limited

Policy for determining Material Subsidiaries

1. Introduction:

In accordance with the provisions of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 every listed company whose specified securities are listed on any recognized stock exchange and high value debt listed company to formulate a policy for determining Material Subsidiaries. In this regard, the Board of Directors of IIFL Home Finance Limited has adopted the following policy and procedures with regard to determination of Material Subsidiaries.

2. Purpose and Scope:

The Policy for determining Material Subsidiary Companies has been framed in accordance with the provisions of regulations of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

The Policy will be used to determine the Material Subsidiaries of IIFL Home Finance Limited and to provide the governance framework for such subsidiarie/s.

All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued there under, as amended, from time to time.

3. Definitions:

"Board of Directors" or **"Board"** means the Board of Directors of IIFL Finance Limited, as constituted from time to time.

"Company" means IIFL Home Finance Limited.

"Independent Director" means a director of the Company, not being an executive director or a nominee director and who is / was not a promoter of the Company or its subsidiary company, nor belongs to the promoter group of the Company, is not related to promoters or directors in the Company or its subsidiary companies, and who satisfies other criteria for independence under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and such criteria as may be prescribed by the Central Government and / or the Securities and Exchange Board of India from time to time.

"Policy" means Policy on determination of Material Subsidiary, as amended from time to time.

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

"Subsidiary" shall mean a subsidiary as defined under section 2(87) of the Companies Act, 2013 and Rules made there under.

Identification of 'Material' subsidiary:

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

5. **Governance Framework:**

i. The Audit Committee of Board of the Company shall review the financial statements, in particular, the investments made by the unlisted subsidiary Companies.

ii. The minutes of the Board Meetings of the Unlisted Subsidiary Companies shall be placed before the Board of the Company.

iii. The management shall periodically 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 companies.

The term "**significant transaction or arrangement**" shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% 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 on the Board of Directors of the Company shall be a director on the Board of the unlisted Material Subsidiary Company.

Explanation: For the purpose of this provision, the term "**material subsidiary**" shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

v. The Company, without the prior approval of the members by Special resolution, shall not

a. dispose of shares in its material subsidiary which would reduce its shareholding (either on its own or together with other subsidiaries) to less than 50 per cent or cease the exercise of control over the subsidiary or,

b. sell, dispose and lease the assets of the material subsidiary amounting to more than 20 percent of the assets of the material subsidiary on an aggregate basis during a financial year

except in cases where such divestment/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 is approved .

6. Amendments to the Policy:

The Board shall review and amend this Policy as and when required. Any subsequent amendment / modification in the Regulation and /or other applicable laws in this regard shall automatically apply to this Policy.

*****

Last Reviewed on 29/07/2024