

POLICY ON RELATED PARTY TRANSACTIONS



IFL FINANCE LIMITED

(Formerly known as IFL Housing Finance Limited)



POLICY ON RELATED PARTY TRANSACTIONS

1. PREAMBLE

IFL Finance Limited ("the Company") recognizes that transactions with Related Parties may give rise to actual or perceived conflicts of interest. The Company is committed to ensuring that all Related Party Transactions are conducted in a transparent manner, at arm's length basis, in the ordinary course of business, and in compliance with the provisions of the Companies Act, 2013, applicable rules framed thereunder, accounting standards, and other applicable laws and regulations.

This Policy has been adopted by the Board of Directors to establish a framework for the identification, approval, review, monitoring, and disclosure of Related Party Transactions and to ensure that such transactions are in the best interests of the Company and its stakeholders.

2. OBJECTIVE

The objectives of this Policy are to:

- a) Establish a governance framework for Related Party Transactions;
- b) Ensure compliance with the provisions of Sections 177, 184 and 188 of the Companies Act, 2013 and rules made thereunder;
- c) Ensure that Related Party Transactions are conducted on an arm's length basis and in the ordinary course of business wherever applicable;
- d) Prevent conflicts of interest and protect the interests of the Company and its stakeholders;
- e) Prescribe the process for obtaining approvals for Related Party Transactions; and
- f) Ensure proper disclosure and reporting of Related Party Transactions.

3. APPLICABILITY

This Policy shall apply to all Related Party Transactions entered into by the Company with any Related Party as defined under the Companies Act, 2013 and other applicable laws, as amended from time to time.

4. DEFINITIONS

4.1 Related Party

"Related Party" shall have the meaning assigned to it under Section 2(76) of the Companies Act, 2013 and any amendment or modification thereof.

4.2 Related Party Transaction

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"Related Party Transaction" means any transaction, contract or arrangement between the Company and a Related Party, including transactions specified under Section 188(1) of the Companies Act, 2013.

4.3 Arm's Length Transaction

"Arm's Length Transaction" means a transaction between two related parties that is conducted as if they were unrelated, so that there is no conflict of interest.

4.4 Ordinary Course of Business

"Ordinary Course of Business" means transactions undertaken by the Company in the normal course of its business activities as contemplated under its Memorandum of Association and in accordance with established business practices.

4.5 Audit Committee

"Audit Committee" means the Audit Committee constituted by the Board of Directors pursuant to Section 177 of the Companies Act, 2013.

4.6 Board

"Board" means the Board of Directors of the Company.

4.7 Key Managerial Personnel

"Key Managerial Personnel" or "KMP" shall have the meaning assigned under Section 2(51) of the Companies Act, 2013.

Any term not defined herein shall have the meaning assigned under the Companies Act, 2013 or any statutory modification or re-enactment thereof.

4.8 Shareholder's Approval

"Shareholder's Approval" All Related Party Transactions shall also be placed for prior approval of shareholders if it exceeds the thresholds as prescribed under the Companies Act, 2013 and the Rules framed thereunder.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013 or any other applicable law or regulation and as amended from time to time.

5. GUIDING PRINCIPLES

All Related Party Transactions shall:

- a) Be undertaken in the best interests of the Company;

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- b) Be supported by adequate documentation and commercial justification;
- c) Be conducted on terms comparable to those applicable to unrelated parties under similar circumstances;
- d) Comply with the provisions of applicable laws and regulations;
- e) Not result in any undue benefit to the Related Party at the cost of the Company.

6. IDENTIFICATION OF RELATED PARTIES

The Company shall maintain an updated database of Related Parties based on disclosures received from Directors, Key Managerial Personnel and other persons as required under applicable laws.

Directors and Key Managerial Personnel shall promptly disclose any change in their interests or relationships that may result in a transaction being classified as a Related Party Transaction.

7. APPROVAL OF RELATED PARTY TRANSACTIONS

7.1 Approval by Audit Committee

All Related Party Transactions shall require prior approval of the Audit Committee.

The Audit Committee may grant omnibus approval for repetitive Related Party Transactions, subject to the provisions of Section 177 of the Companies Act, 2013 and the applicable rules made thereunder. Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval of the Audit Committee upon expiry of the said period.

The Audit Committee shall review all Related Party Transactions periodically and may call for such information as it considers necessary to determine whether the transaction is at arm's length and in the ordinary course of business.

7.2 Approval by the Board

The following Related Party Transactions shall require prior approval of the Board of Directors:

- a) Transactions which are not in the ordinary course of business;
- b) Transactions which are not at arm's length basis;
- c) Transactions referred to the Board by the Audit Committee;
- d) Transactions requiring shareholders' approval under applicable law.

Any Director interested in a Related Party Transaction shall disclose his/her interest and abstain from participating in discussions and voting on the matter.

7.3 Approval by Shareholders

Related Party Transactions shall require prior approval of shareholders by way of an Ordinary Resolution where such approval is required under Section 188 of the Companies Act, 2013 and the Companies (Meetings of Board

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and its Powers) Rules, 2014.

No Related Party shall vote on such resolution if prohibited under applicable law.

The explanatory statement annexed to the notice of the general meeting shall contain all disclosures as prescribed under the Companies Act, 2013.

8. REVIEW OF RELATED PARTY TRANSACTIONS

The Audit Committee shall periodically review:

- a) All approved Related Party Transactions;
- b) Transactions entered into pursuant to omnibus approvals;
- c) Outstanding balances with Related Parties;
- d) Compliance with this Policy and applicable laws.

The Committee may seek independent professional advice or valuation reports wherever considered necessary.

9. DISCLOSURES

The Company shall make such disclosures relating to Related Party Transactions as may be required under:

- a) The Companies Act, 2013;
- b) Applicable Accounting Standards;
- c) Financial statements of the Company;
- d) Board's Report;
- e) Annual Report and;
- f) Any other applicable law or regulatory requirement.

10. NON-COMPLIANCE

In the event a Related Party Transaction is entered into without obtaining the necessary approvals under this Policy, the matter shall be placed before the Audit Committee and the Board for consideration.

The Audit Committee may recommend ratification, modification, or termination of such transaction and may also recommend appropriate disciplinary action against the persons responsible for the non-compliance.

11. RECORD MAINTENANCE

The Company shall maintain proper records of:

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- a) Related Parties;
- b) Related Party Transactions and Transaction value;
- c) Approvals obtained from the Audit Committee, Board and shareholders;
- d) Disclosures made under applicable laws.

Such records shall be preserved in accordance with the applicable statutory requirements and the Company's document retention policy.

12. REVIEW AND AMENDMENT

This Policy shall be reviewed by the Audit Committee at least once in every financial year and any amendments thereto shall be subject to approval of the Board of Directors.

In case of any inconsistency between this Policy and the provisions of applicable laws, the provisions of such laws shall prevail and this Policy shall be deemed to be modified to that extent.

"The Related Party Transactions have been duly approved by the Board of Directors at its meeting held on 06th April 2026."