

March 04, 2024

The Manager, Listing Department, BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001. BSE Scrip Code: 532636	The Manager, Listing Department, The National Stock Exchange of India Ltd., Exchange Plaza, 5th Floor, Plot C/1, G Block, Bandra - Kurla Complex, Bandra (E), Mumbai 400 051. NSE Symbol: IIFL
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Subject: Intimation under Regulation 30 and 51 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations")

Dear Sir/ Madam,

Pursuant to Regulation 30 and 51 of the Listing Regulations (as amended from time to time) read with Clause 20 of Para A of Part A of Schedule III of the Listing Regulations, we hereby inform you that the Reserve Bank of India ("RBI") vide its order and press release dated March 04, 2024, under Section 45L(1)(b) of Reserve Bank of India Act, 1934, have directed the Company to cease and desist, with immediate effect, from sanctioning or disbursing gold loans or assigning/ securitising/ selling any of its gold loans.

However, RBI in the aforesaid press release directed that the Company can continue to service its existing gold loan portfolio through usual collection and recovery processes.

We re-affirm our commitment to rectify observations of the RBI in gold loan portfolio to comply with RBI findings at the earliest and will continue with our endeavor to provide gold loan services in the overall interest of customers.

The details as required under Regulation 30 of the Listing Regulations read with SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, and SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023, are given as **Annexure A**. The RBI Press release dated March 04, 2024 as **Annexure B**;

Kindly take above on record and oblige.

Thanking you,

For IIFL Finance Limited

Rupal Jain

Company Secretary & Compliance Officer

Email Id: csteam@iifl.com

Place: Mumbai

Encl: as above

IIFL Finance Limited

CIN No.: L67100MH1995PLC093797

Corporate Office – 802, 8th Floor, Hub Town Solaris, N.S. Phadke Marg, Vijay Nagar, Andheri East, Mumbai 400069

Tel: (91-22) 6788 1000 .Fax: (91-22) 6788 1010

Regd. Office – IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle Estate, Thane – 400604

Tel: (91-22) 41035000. Fax: (91-22) 25806654 E-mail: csteam@iifl.com Website: www.iifl.com

Annexure A

Details as required under Regulation 30 read with Schedule III of the Listing Regulations and SEBI Circular No. SEBI/HO/CFD/CFD-PoD-1/P/CIR/2023/123 dated July 13, 2023:

Name of the authority	Reserve Bank of India (“RBI”)
Nature and details of the action(s) taken, initiated or order(s) passed;	<p>RBI has directed the Company to cease and desist, with immediate effect, from sanctioning or disbursing gold loans or assigning/ securitising/ selling any of its gold loans.</p> <p>However, RBI in the aforesaid press release directed that the Company can continue to service its existing gold loan portfolio through usual collection and recovery processes.</p>
Date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;	<p>RBI press release and order dated March 04, 2024.</p> <p>(received through an email on or about 17.20 IST)</p>
Details of the violation(s)/contravention(s) committed or alleged to be committed;	<p>As stated in RBI press release dated March 04, 2024 and the same is attached as Annexure B.</p>
Impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.	<p>The financial impact quantifiable in monetary terms cannot be ascertained at this point of time.</p>

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प्रेस प्रकाशनी PRESS RELEASE

**भारतीय रिज़र्व बैंक**
RESERVE BANK OF INDIAवेबसाइट : www.rbi.org.in/hindiWebsite : www.rbi.org.inई-मेल/email : helpdoc@rbi.org.in

संचार विभाग, केंद्रीय कार्यालय, शहीद भगत सिंह मार्ग, फोर्ट, मुंबई - 400 001

Department of Communication, Central Office, Shahid Bhagat Singh Marg, Fort, Mumbai - 400 001 फोन/Phone: 022 - 2266 0502

March 04, 2024

Action against IIFL Finance Limited under Section 45L(1)(b) of the Reserve Bank of India Act, 1934

The Reserve Bank of India has today, in exercise of its powers under Section 45L(1)(b) of the Reserve Bank of India Act, 1934, directed IIFL Finance Ltd. ("the company") to cease and desist, with immediate effect, from sanctioning or disbursing gold loans or assigning/ securitising/ selling any of its gold loans. The company can, however, continue to service its existing gold loan portfolio through usual collection and recovery processes.

An inspection of the company was carried out by the Reserve Bank with reference to its financial position as on March 31, 2023. Certain material supervisory concerns were observed in the gold loan portfolio of the company, including serious deviations in assaying and certifying purity and net weight of the gold at the time of sanction of loans and at the time of auction upon default; breaches in Loan-to-Value ratio; significant disbursement and collection of loan amount in cash far in excess of the statutory limit; non-adherence to the standard auction process; and lack of transparency in charges being levied to customer accounts, etc. These practices, apart from being regulatory violations, also significantly and adversely impact the interest of the customers. Over the last few months, the RBI has been engaging with the senior management and the statutory auditors of the company on these deficiencies; however, no meaningful corrective action has been evidenced so far. This has necessitated the imposition of business restrictions with immediate effect, in the overall interest of customers.

These supervisory restrictions will be reviewed upon completion of a special audit to be instituted by the RBI and after rectification by the company of the special audit findings and the findings of RBI Inspection, to the satisfaction of RBI.

This business restriction is without prejudice to any other Regulatory or Supervisory action, that may be initiated by the RBI against the company.

Press Release: 2023-2024/1994

(Yogesh Dayal)
Chief General Manager