

## MATERIALITY POLICY

### 1. Introduction

- 1.1 This materiality policy ("**Policy**") has been formulated for the identification of group companies, material outstanding litigation involving the Company, its Subsidiaries, Directors, and Promoters and material creditors of EbixCash Limited ("**Company**"), pursuant to the disclosure requirements under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**SEBI ICDR Regulations**").
- 1.2 This Policy shall be effective from the date of approval of the Policy by the board of directors of the Company ("**Board**").
- 1.3 In this Policy, the term "**Offer Documents**" shall mean the red herring prospectus and the prospectus, and any addendum or corrigendum thereto to be filed and/or submitted by the Company in connection with the proposed initial public offering of its equity shares with the Securities and Exchange Board of India ("**SEBI**"), the Registrar of Companies, National Capital Territory of Delhi and Haryana at New Delhi and/or stock exchanges where the equity shares of the Company are proposed to be listed, as applicable.

All capitalised terms not specifically defined in this Policy shall have the same meanings ascribed to such terms in the Offer Documents.

### 2. Identification of Group Companies

#### 2.1 Requirement

As per the SEBI ICDR Regulations, the term "Group Companies", is defined to include "*such companies (other than promoter(s) and subsidiary/subsidiaries) with which there were related party transactions, during the period for which financial information is disclosed, as covered under the applicable accounting standards, and also other companies as considered material by the board of the issuer*".

In light of this requirement, subject to paragraph 2.2, the following companies are to be treated as Group Companies of the Company:

- (i) companies (*other than promoter(s) and subsidiary/subsidiaries*) with which the Company had related party transactions, during the period for which financial information is disclosed in the relevant Offer Document (the "**Relevant Period**"), as covered under Accounting Standard (AS) 18 and Indian Accounting Standard (Ind AS) 24 (collectively, "**Accounting Standards**"); and
- (ii) companies considered to be material by the Board, in terms of the policy laid down in paragraph 2.2.

#### 2.2 Policy on materiality

Based on the above-stated definition, for the purposes of paragraph 2.1(ii), a company (other than promoters, subsidiaries and those companies identified in 2.1(i) above) shall be considered 'material' and will be disclosed as a 'Group Company' in the Offer Documents, if a company is a member of the promoter group in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, and has entered into one or more transactions with the Company in the most recent financial

year and/or the relevant stub period, if any (in respect of which Restated Financial Statements are included in the Offer Documents) that individually or cumulatively exceed 10% of the total consolidated revenue of the Company, as per the Restated Financial Statements of the Company for the last completed financial year.

As per the Restated Financial Statements of the Company, the total consolidated revenue of the Company for Fiscal 2023 was ₹ 26,166.65 million and 10% of such consolidated revenue was ₹ 2,616.66 million for Fiscal 2023.

### **3. Identification of 'Material' Litigation (excluding criminal proceedings, statutory/regulatory actions and taxation matters)**

#### **3.1 Requirement**

As per the requirements of SEBI ICDR Regulations, the Company shall disclose the following classes of pending litigation involving the Company, its Subsidiaries, Directors and Promoters:

- (i) All criminal proceedings;
- (ii) All actions by statutory/ regulatory authorities;
- (iii) Taxation proceedings – Separate disclosures regarding claims related to direct and indirect taxes, in a consolidated manner giving details of number of cases and total amount; and
- (iv) Other pending litigation (including arbitration proceedings) – As per the policy of materiality defined by the Board and disclosed in the Offer Documents.

Additionally, in terms of the SEBI ICDR Regulations, the Company is required to disclose: (a) any disciplinary action (including a penalty) imposed by SEBI or any of the stock exchanges against any of its Promoters in the five financial years preceding the date of the relevant Offer Document, including any outstanding action; and (b) outstanding litigation involving the Group Companies, which may have a material impact on the Company as identified by the Company's Board or any of its committees' thereof, as applicable.

#### **3.2 Policy on materiality**

Other than litigations mentioned in paragraphs 3.1 (i), (ii) and (iii) above, any other pending litigation (including any arbitration proceedings) involving the Company, its Subsidiaries, and its Directors shall be considered "material" for the purpose of disclosure in the Offer Documents if:

- (i) the aggregate monetary claim involved, whether by or against the Company, its Subsidiaries, and Directors (individually or in aggregate), in any such pending litigation is equal to or in excess of 1.5% of the profit after tax (on a consolidated basis) of the Company for the last completed financial year as per the Restated Financial Statements. As per the Restated Financial Statements of the Company, the profit after tax (on a consolidated basis) of the Company for Fiscal 2023 was ₹ 7,513.11 million and 1.5% of such profit for tax was ₹ 112.70 million for Fiscal 2023.; or
- (ii) such pending litigation (including any arbitration proceedings) is material from the perspective of Company's business, operations, financial results, prospects or reputation, irrespective of the amount involved in such litigation or wherein a monetary liability is not quantifiable.

Other than litigations mentioned in paragraphs 3.1 (i), (ii) and (iii) above, any other pending litigation (including any arbitration proceedings) involving the Promoters (i.e., Ebix, Inc. and Ebix Singapore Pte. Ltd.) Shall be considered “material” for the purpose of disclosure in the Offer Documents if:

- (i) the aggregate monetary claim involved, whether by or against the Promoters (individually or in aggregate), in any such pending litigation is equal to or in excess of 0.5% of the operating revenue of the respective Promoters for the last completed financial year as per their respective audited financial statements. As per the last audited financial statements of Ebix, Inc., the operating revenue (on a consolidated basis) of Ebix, Inc. for the financial year ended December 31, 2022 was USD 1,050.15 million and 0.5% of such operating revenue was USD 5.25 million, and as per the last audited financial statements of Ebix Singapore Pte. Ltd., the operating revenue of the Ebix Singapore Pte. Ltd. for the financial year ended December 31, 2021 was USD 18.78 million and 0.5% of such operating revenue was USD 0.09 million; or
- (ii) such pending litigation (including any arbitration proceedings) is material from the perspective of Company's business, operations, financial results, prospects or reputation, irrespective of the amount involved in such litigation or wherein a monetary liability is not quantifiable.

Further, pre-litigation notices (other than those issued by governmental, statutory or regulatory authorities) received by the Company, its Subsidiaries, Directors, or Promoters shall not be considered as litigation until such time that any of the Company, its Subsidiaries, Directors or Promoters, as the case may be, is made a party to proceedings initiated before any court, tribunal or governmental authority or any judicial forum.

#### **4. Identification of ‘Material’ Creditors**

##### **4.1 Requirement**

As per the requirements of SEBI ICDR Regulations, the Company shall make the following disclosures in the Offer Documents for outstanding dues to creditors:

- (i) based on the policy on materiality adopted by the Board, and as disclosed in the Offer Document, complete disclosure of Company's creditors which includes consolidated number of creditors and the aggregate amount involved; and
- (ii) consolidated information on outstanding dues to micro, small and medium enterprises and other creditors, separately giving details of number of cases and amount involved.

##### **4.2 Policy on materiality**

For identification of material creditors, in terms of point (i) above, a creditor shall be considered to be material for the purpose of disclosure in the Offer Documents if amounts due to such creditor is equal to or exceeds 5% of the consolidated trade payables' of the Company as of the end of the most recent period covered in the Restated Financial Statements. As per the Restated Financial Statements of the Company, the trade payables (on a consolidated basis) of the Company for financial year ended March 31, 2023 was ₹ 3,546.98 million and 5% of such trade payables was ₹ 1,77.35 million.

## 5. General

It is clarified that the Policy is solely from the perspective of disclosure requirements prescribed under the SEBI ICDR Regulations with respect to the Offer Documents and should not be applied towards any other purpose.

This Policy shall be subject to review/changes as may be deemed necessary by the Board/IPO committee and in accordance with regulatory amendments from time to time. This policy shall be without prejudice to any additional disclosure requirement which may be prescribed by SEBI or the Stock Exchanges, including through any observations on the Offer Documents.

\*\*\*\*\*