

**POLICY FOR DETERMINATION OF MATERIALITY OF
INFORMATION OR EVENT OF CSL FINANCE LIMITED**

[Amended and Approved by the Board of Directors on February 11, 2025]

Version	Approval Date by Board of Directors
2.0	November 30, 2022
3.0	February 11, 2025

CSL FINANCE LIMITED (the “Company”) believes in adequate and accurate disclosure of information on an ongoing basis, in order to enable investors to make well informed and timely investment decisions. This would ensure transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations.

1. PREFACE

1.1 ‘Material Information’ in general parlance, is any information, which, if revealed to the public, is likely to change a security’s perceived value. This means that if the event in question has not yet taken place, and its happening also remains uncertain, then determining whether it is material or not will require assessing the surrounding circumstances and weighing the probability of the event actually occurring, against its significance to the Company as a whole.

1.2 Securities and Exchange Board of India (‘SEBI’), has vide its Notification dated 2nd September, 2015, introduced the SEBI (Listing Obligations and Discloser Requirements) Regulations, 2015, (“Listing Regulations”) with effect from 1st December, 2015, whereby, every issuer or the issuing Company which has previously entered into agreement(s) with a recognized stock exchange to list its securities, shall execute a fresh listing agreement with such stock exchange within six months of the date of notifications of these regulations.

Regulation 30(4)(ii) of Chapter IV of the Listing Regulations read with the Schedule III and SEBI Circular No. CIR/CFD/CMD/4/2015, dated September 09, 2015 , requires a Listed Entity to frame a policy for determination of materiality, based on criteria specified in such sub-regulation, and duly approved by its Board of Directors, indicating the details that need to be provided while disclosing events.

1.3 The Company endeavors to attain high level of transparency, accountability and equity with the ultimate objective of providing maximum customer satisfaction and increasing long-term shareholders value keeping in view the interest of all stakeholders. To achieve these objectives, the Company hereby notifies this policy for determination of materiality of information or events.

2. DEFINITIONS

2.1 “Act” means the Securities and Exchange Board of India Act, 1992 including any statutory modification(s) or re-enactment(s) thereof.

2.2 “Archival Policy” means the policy of CSL Finance Limited on preservation of records / Archival Policy on website disclosure.

2.3 “Board” means Board of Directors of CSL Finance Limited as constituted from time to time;

2.4 “Company” means CSL Finance Limited.

2.5 “Chief Executive Officer” or “Managing Director” or “Manager” shall mean the person so appointed in terms of the Companies Act, 2013 including any statutory modification(s) or re-enactment(s) thereof.

2.6 “Compliance officer” means the Company Secretary of the Company for the purpose of this policy and the Regulations.

2.7 “Committee” shall mean the Committee of the Board of Directors or any other committee so constituted.

2.8 “Financial Year” shall have the same meaning as assigned to it under Clause (41) of Section 2 of the Companies Act, 2013, as amended from time to time.

2.9 “Half Year” means the period of six months commencing on the first day of April or October of a financial year.

2.10 “Half Yearly Results” means the financial results prepared in accordance with the SEBI (Listing Obligations and Discloser Requirements) Regulations, 2015, in respect of a half year.

2.11 “Key Managerial Personnel” means Key Managerial Personnel as defined in Clause (51) of Section 2 of the Companies Act, 2013, as amended from time to time.

2.12 “Listed Entity” means an entity which has listed, on recognized stock exchange(s), the designated securities issued by it or the designated securities issued under scheme managed by it, in accordance with the listing agreement entered into between the entity and the recognized stock exchange(s);

2.13 “Officer” shall have the same meaning as defined under the Companies Act, 2013, as amended from time to time and shall also include promoter of the Company.

2.14 “Price Sensitive Information” shall have the same meaning as assigned to it in the Company’s “Code of Conduct for Prevention of Insider Trading”.

2.15 “Promoter” and “Promoter group” shall have the same meaning as assigned to them respectively in clauses (oo) and (pp) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 including any statutory modification(s) or re-enactment(s) thereof.

2.16 “Quarter” means the period of three months commencing on the first day of April, July, October or January of a financial year.

2.17 “Quarterly Results” means the financial results prepared in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of a quarter.

2.18 “Regulation” mean the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any statutory modification(s) or re-enactment(s) thereof.

2.19 “Schedule” means the schedule annexed to the Regulation.

2.20 “SEBI” means the Securities and Exchange Board of India.

2.21 “Stock Exchange” means a recognized stock exchange as defined under clause (f) of Section 2 of the Securities Contract (Regulations) Act, 1956.

2.22 “Specified Securities” means ‘equity shares’ and ‘convertible securities’ as defined under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 including any statutory modification(s) or re-enactment(s) thereof.

2.23 “Subsidiary” means a subsidiary as defined under the Companies Act, 2013 including any rules and statutory modification(s) or re-enactment(s) thereof.

2.24 “Material Subsidiary” shall mean a subsidiary, whose turnover or net worth exceed 10% (ten) percent of the consolidated turnover or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

All other words and expressions used are not defined in this Policy, but defined in the Act or Companies Act, 2013, Regulation, Securities Contract (Regulations) Act, 1956, Depositories Act, 2018 and/or the rules and regulations made thereunder, shall have the same meaning as respectively assigned to them in such Act, Rules and Regulations or any statutory modification(s) of re-enactment(s) thereof.

3. POLICY

3.1 *Criteria for determining when an event / information have occurred:*

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

b. In certain instances, where no such discussion, negotiation or approval is involved, the events / information can be said to have occurred when the Company becomes aware of the events / information, or as soon as, an officer or the entity has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

3.2 Criteria for determination of Materiality

The following criteria shall be applied for determination of materiality of an event:

- a. The events specified in Para A of Part A of Schedule III of the Regulation shall be deemed to be material events and the Company shall make disclosure of such events.
- b. The Company shall make disclosure of events specified in Para B of Part A of Schedule III of the Regulation based on applications the guidelines for materiality as specified in Regulation 30(4), pursuant to which, the following criteria shall be considered for determination of materiality of events / information:
 1. The omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publically; or
 2. 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.
 3. 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 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.
 4. In case where the aforesaid criteria in clause 3 above are not available, an event / information may be treated as being material if it has a material effect on the Company or in the opinion of the Board, the event / information is considered material.

Provided that any continuing event or information which becomes material pursuant to notification of Listing Obligations and Disclosure Requirements (Second Amendment) Regulations, 2023 shall be disclosed by the Company within thirty days from the date of coming into effect of these Amendment Regulations.

However, it might be possible that the Company or its officer, based on the preliminary information about the event, cannot reasonably determine whether information is material. In such a case, the Company or its officer shall be construed to have become aware of the event / information when the probable impact of the event / information becomes known / assessable.

3.3 Disclosures

a. Pursuant to Regulation 30 of the Listing Regulations, the Company shall first disclose to stock exchange(s) of all material events (as referred above) or information as soon as reasonably possible and in any case not later than the following:

- I. thirty 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;
- II. twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;
- III. twenty four hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company.

b. Provided that 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.

c. Provided that if all the relevant information including pendency or outcome thereof, in respect of claims which are made against the listed entity under any litigation or dispute, other than tax litigation or dispute, which may have an impact in the listed entity, is maintained in the structured digital database of the listed entity in terms of provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the disclosure with respect to such claims shall be made to the stock exchange(s) within seventy-two hours of receipt of the notice by the listed entity.

d. Provided that disclosure with respect to events for which timelines have been specified in Schedule III shall be made within such timelines.

e. The Company shall, with respect to disclosure referred to in Regulation 30 of the Regulations, make disclosure updating material developments on a regular basis, till such time the event is resolved / closed, with relevant expectations.

f. The Company shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under the regulation, and such information shall be hosted on the website of the Company for the minimum period of five years and thereafter as per the Archival policy of the Company.

g. The Company shall disclose all events or information with respect to subsidiaries, if any, which are material of the company.

h. In case an event or information is required to be disclosed by the Company in terms of the provisions of the Regulation, 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.

3.4 Authorization to certain Key Managerial Personnel(s) for determining materiality of an event or information and for the purpose of making disclosures to stock exchange(s) under regulation.

The Board of the Company has jointly or severally authorized Managing Director and Chief Financial Officer for the purpose of determining the materiality of the event or information and making disclosures to stock exchange(s) under Regulation 30. The contact details of the aforesaid Key Managerial Personnel(s) are provided hereunder:

S.NO.	AUTHORIZED PERSON	EMAIL ID
1.	MANAGING DIRECTOR	rohit.gupta@cslfinance.in
2.	CHIEF FINANCIAL OFFICER	naresh.varshney@cslfinance.in

Whenever the relevant employee of the Company become aware of any event/information as outlined in this Policy, or as soon as or ought to have been reasonably come into possession of the information in course of performance of their duties, they shall identify potential material event or information in light of the regulation read with this Policy and report the same to the officers referred to herein above for the purpose of determining the materiality of the said event or information.

4. AMENDMENTS IN THE POLICY

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

5. SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy/ Regulation/ the Act or any other statutory enactments, rules, the provisions of such Regulation or Act or statutory enactments, Rules shall prevail over this Policy.



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