



POLICY FOR DETERMINATION OF MATERIALITY OF EVENT OR INFORMATION FOR DISCLOSURE(S)

Version	1.2
Ownership	Compliance
Approved By	Board of Directors
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1. Introduction – Background & Objective

This policy for determination of materiality of event/information ("**Policy**") is framed in accordance with the requirements of Regulation 30 & 30A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("**Regulations**") read with the applicable circulars / Master Circulars issued by the Securities and Exchange Board of India, which requires every listed entity to frame a policy for determination of the materiality of events and information so that the events/information which satisfy the criteria of "materiality" could be promptly disclosed to the Stock Exchange(s).

The objective of the Policy is to frame guidelines for determination of the materiality of events and to ensure that such information is hosted on the website of Capital India Finance Limited ("**Company**") for a minimum period of five (05) years and adequately disseminated to the Stock Exchange(s) in pursuance of the Regulations and to provide an overall governance framework for such determination of materiality.

The Board of Directors of the Company has duly approved and adopted the Policy at its meeting held on January 11, 2018.

Effective Date

This Policy shall be effective from January 11, 2018, and shall be applicable for disclosures made by the Company effective this date.

2. Definition

- (a) "**Act**" shall mean the Companies Act, 2013, and the rules framed thereunder and any subsequent amendment, re-enactment, notification or replacement thereof for the time being in force.
- (b) "**Authorized Persons**" shall have the meaning given to such term in Clause 6 below hereto.
- (c) "**Board of Directors**" or "**Board**" shall mean the Board of Directors of the Company, as constituted from time to time.
- (d) "**Company**" shall have the meaning given to such term in Clause 1 of this Policy.
- (e) "**Key Managerial Personnel**" or "**KMP**" shall mean a 'key managerial personnel' as defined in sub- section (51) of Section 2 of the Act.
- (f) "**LODR Schedule**" shall mean Schedule III to the Regulations.

- (g) **“Listing Agreement”** shall mean an agreement that has been entered into between recognized stock exchange(s) and the Company, pursuant to the Regulations.
- (h) **“Material Event”** or **“Material Information”** shall mean such event or information as set out in the LODR Schedule or as may be determined in terms of Clause 3 of the Policy and the words, “material” and “materiality” shall be construed accordingly.
- (i) **“Normal trading hours”** shall mean time period for which the recognized stock exchanges are open for trading for all investors.
- (j) **“Officer”** includes any Director, Manager or Key Managerial Personnel or any person in accordance with whose directions or instructions the Board of Directors or any one or more of the Directors is or are accustomed to act and includes Promoter(s) of the Company.
- (k) **“Policy”** shall mean this Policy, as may be amended from time to time.
- (l) **“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.
- (m) **“Regulations”** shall have the meaning given to such term in Clause 1 of this Policy.
- (n) **“SEBI”** shall mean the Securities and Exchange Board of India.
- (o) **“Stock Exchange”** shall mean a recognized stock exchange as defined under clause (f) of section 2 of the Securities Contracts (Regulation) Act, 1956, that the Company has entered into a Listing Agreement with and on which the Company has listed its securities.
- (p) **“Subsidiary”** means a subsidiary as defined under sub-section (87) of Section 2 of the Act.
- (q) **“Website”** shall mean the corporate website of the Company being www.capitalindia.com.

All capitalized terms used but not defined herein shall have the meaning given to them in the Act, the Listing Agreement, the Regulations and / or any other applicable law or regulation, to the extent applicable to the Company.

3. Guidelines for determining materiality of Events/Information

- (a) The test to determine whether an event or information is material depends on the facts and circumstances pertaining to a case and the materiality of an event occurring or of information obtained must be considered in light of such facts and circumstances and on the application of the criteria provided in this Policy.
- (b) The Authorized Persons shall apply the guidelines in this Clause 3 to determine whether an event or information is material and make the appropriate disclosures in accordance with the Guidelines.
- (c) Events / information shall be considered as material if it meets any of the following criteria:
- (i) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
 - (ii) 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; or
 - (iii) the omission of an event or information, whose value, or the expected impact in terms of value, exceeds the lower of the following:
 - two (2) percent of turnover, as per the last audited consolidated financial statements of the Company;
 - two (2) 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;
 - five (5) percent of the average of absolute value of profit or loss after tax, as per the last three (3) audited consolidated financial statements of the Company;
 - (iv) in case where the criteria specified in sub-clauses (i), (ii) and (iii) is not applicable, an event or information may be treated as being material if in the opinion of the Board of Directors of the Company, the event or information is considered material.

4. Disclosures of Events or Information

a) Without any application of the guidelines for materiality:

Events or information specified in Para A of Part A of Schedule III of the Regulations as amended from time-to-time are required to be disclosed irrespective of application of any materiality criteria as these are "**deemed**" to be material.

b) On application of the guidelines for materiality:

The events or information specified in Para B of Part A of Schedule III of the Regulations, as amended from time to-time will be disclosed based on application of materiality criteria.

5. Disclosure on Timing of an Event or Information

The Company may be confronted with the question as to when an event/information can be said to have occurred.

In certain instances, the answer to above question would depend upon the stage of discussion, negotiation, or approval and in other instances where there is no such discussion, negotiation or approval required viz. in case of natural calamities, disruptions among others, the answer to the above question would depend upon the timing when the Company became aware of the event/information.

In the former, the events/information (based on the facts and circumstances), can probably be said to have occurred upon receipt of approval of the Board of Directors. However, considering the price sensitivity involved, for certain events e.g. decision on declaration of dividends etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, pending Shareholders' approval.

In the latter, the events/information can be said to have occurred when the Company becomes aware of the events/information, or as soon as, an officer of the Company has, or ought to have reasonably come into possession of the information in the course of the performance of his duties.

Here, the term 'officer' shall have the same meaning as defined under the Companies Act, 2013 and shall also include promoters of the Company.

The Company shall first disclose to the stock exchange(s) all events or information which are material in terms of the provisions of the Regulations, as soon as reasonably possible and in any case not later than the following:

- a) 30 (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;

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 Company shall disclose the decision pertaining to the event or information, within 3 (three) hours from the closure of the Board Meeting.

Provided further that in case the meeting of the Board of Directors is being held for more than one day, the financial results shall be disclosed within 30 (thirty) minutes or 3 (three) hours, as applicable, from closure of such meeting for the day on which it has been considered.

- b) 12 (twelve) hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;

- c) 24 (twenty-four) hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company.

Provided that if all the relevant information, in respect of claims which are made against the Company under any litigation or dispute, other than tax litigation or dispute, in terms of sub-paragraph 8 of paragraph B of Part A of Schedule III, is maintained in the structured digital database of the Company 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 72 (seventy-two) hours of receipt of the notice by the Company.

The disclosure with respect to events for which timelines have been specified in Part A of Schedule III of the Regulations, shall be made within such timelines. In case the disclosure is made after the timelines specified under the Regulations, then, along with such disclosure, Company shall provide the explanation for the delay.

The Company may confirm, deny or clarify any reported event or information in the mainstream media which is not general in nature and which indicates that rumors of an impending specific material event or information in terms of the provisions of the Regulations which are circulating amongst the investing public, as soon as reasonably possible and not later than 24 (twenty-four) hours from the reporting of the event or information. If the Company confirms the reported event or information, it shall also provide the current stage of such event or information.

6. Authority to Key Managerial Personnel

The Managing Director and/or any Key Managerial Personnel, or any other person(s) as authorized by the Board of Directors of the Company ("**Authorized Persons**") shall be responsible for the purpose of determining the materiality of any event or information which has bearing on the performance/share price of the Company. They shall inform to the Chief Compliance Officer & Company Secretary about the materiality of any information/event through e-mail or any other communication mode as deemed proper which shall then be intimated by the Chief Compliance Officer & Company Secretary to the Stock exchanges as a part of Disclosure compliance. The contact details of the Authorized Persons shall be disclosed to the Stock Exchange (s) and displayed on the Website of the Company.

7. Amendments

Any change in the Policy shall be approved by the Board of Directors of the Company. The Board of Directors shall have the right to withdraw and / or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding.

8. Scope and Limitation

In the event of any conflict between the provisions of this Policy and the Listing Agreement; the Act; the Regulations or any other statutory enactments, rules, the provisions of such Listing Agreement, Act, Regulations or statutory enactments, rules shall prevail over this Policy and the part(s) so repugnant shall be deemed to be severed from the Policy and the rest of the Policy shall remain in force.

In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail over the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.
