

CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

[Under Regulation 8(1) of SEBI (Prohibition of Insider Trading) Regulations 2015]

1. The Board of Directors of Sakthi Finance Limited ("the Company") has always thrived to conduct its business in a fair and transparent manner with a view to protect the interest of all the stakeholders of the Company.
2. The Company shall adhere to the following principles of fair disclosure of unpublished price sensitive information with respect to it or its securities which is likely to affect price of the securities:
 - a. The Company shall ensure prompt public disclosure of unpublished price sensitive information that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available.
 - b. The Company shall ensure uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosure.
 - c. The Company Secretary/Compliance Officer of the Company shall act as the Chief Investor Relations officer to deal with dissemination of information and disclosure of unpublished price sensitive information.
 - d. The Company shall make prompt dissemination of unpublished price sensitive information that gets disclosed selectively, inadvertently or otherwise to make such information generally available.
 - e. The Company shall provide appropriate and fair response to queries on news reports and requests for verification of market rumours by regulatory authorities.
 - f. The Company shall ensure that information shared with analysts and research personnel is not unpublished price sensitive information.
 - g. The Company shall develop and follow best practices to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the official website to ensure official confirmation and documentation of disclosures made.
 - h. The Company shall handle all unpublished price sensitive information on a need-to-know basis.



3. Following is the policy with respect to preservation of Unpublished Price Sensitive Information:
- a. No insider shall communicate, provide, or allow access to any unpublished price sensitive information, relating to the company or its securities, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
 - b. No person shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to a company or securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations unless for the purpose and manner permitted in the Regulations.
 - c. Legitimate purpose means sharing of unpublished price sensitive information ("UPSI") in the ordinary course of business or on a need-to-know basis. The Company may share the UPSI if required in the interest of the Company.
 - d. The legitimate purpose shall, inter alia, include sharing of UPSI on need to know basis by an insider with employees, directors, lenders, customers, merchant bankers, legal advisors, auditors, or other advisors or consultants.
 - e. For the purpose of clarity in understanding, following are illustrative examples of sharing of UPSI which would be considered as legitimate purpose:
 1. Furnishing of information to statutory authorities, controlling authorities, local or administrative bodies as per applicable statute or in the usual course of business or for investigation/inquiry purpose or when specifically required by them.
 2. Under or in connection with any legal proceedings or pursuant to any order of courts, tribunals or judicial forums/authorities.
 3. Arising out of any contractual obligations under any contract, agreement, arrangement, settlement, understanding or undertaking entered into by the Company.
 4. In connection with compliance with applicable laws, rules, regulations and requirements.



5. **Sharing of UPSI on need-to-know basis in the usual course of business or arising out of business requirements, strategies, developments, etc., which includes, but not limited to, the following:**
- **With promoters and/or their representatives/advisors.**
 - **By an insider with fellow employees in the course of discharge of his duties or in furtherance of the business of the Company.**
 - **With bankers/lenders, including proposed bankers/lenders, in connection with loans availed / proposed to be availed by the Company or under applicable guidelines of the Reserve Bank of India.**
 - **With auditors, lawyers, other advisors, merchant bankers, intermediaries, valuers, service providers and other consultants during the course of their engagement for the purpose of or in connection with the business of the Company.**
 - **With financial / technical experts for advice, consultation, transaction support, intermediation and approvals in the process of evaluation of business opportunities.**
6. **Sharing of UPSI for any other purpose as may be permitted by the Vice Chairman and Managing Director of the Company in writing considering the business exigencies of the Company.**
7. **Any communication or access to any unpublished price sensitive information relating to the Company to any person including other insiders other than for legitimate purpose mentioned above requires prior approval of the Vice Chairman and Managing Director.**
8. **Any person in receipt of unpublished price sensitive information pursuant to a "legitimate purpose" shall be considered an "insider" for the purposes of SEBI (Prohibition of Insider Trading) Regulations 2015 and due notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information in compliance with these regulations.**
4. **The Chairman of the Company, subject to the approval of the Board, is authorized to amend or modify this Code in whole or in part.**



5. The Board of Directors may stipulate further guidelines, procedures and rules, from time to time, to ensure fair disclosure of unpublished price sensitive information.
6. This Code shall be published on the official website of the Company.
7. This Code and every subsequent modification, alteration or amendment made thereto, shall also be intimated to the Stock Exchange where the securities of the Company are listed.
8. The Code shall be deemed to have come into force with effect from **1st April 2019.**
9. Subsequent modification(s) / amendment(s) to SEBI (Prevention of Insider Trading) Regulations, 2015 shall automatically apply to this Code.

