

POLICY FOR DETERMINATION OF MATERIALITY OF EVENT OR INFORMATION

(As amended by the Board of Directors at their meeting held on 7th August 2023)



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DOCUMENT CONTROL

Document Information	
Company	Sakthi Finance Limited (" SFL "), Coimbatore
Document Title	Policy for determination of Materiality of Event or Information
Classification	Confidential

Document Owner	
Name	Title
Sri C Subramaniam	Company Secretary and Compliance Officer

Document History			
Sl No	Date	Nature of Document	Remarks
1	12th February 2016	Base Document	Initially the Policy for Determination of Materiality of Event or Information was approved by the Board of Directors.
2	29th May 2019	Amendment	Amendments were made in line with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
3	7th August 2023	Amendment	Amendments were made as per the SEBI notification dated 14th June 2023, SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations 2023.



ABBREVIATIONS USED

Board	Board of Directors
the "Regulations"	SEBI (Prohibition of Insider Trading) Regulations 2015
the "Act"	The Companies Act 2013
the "Company"	Sakthi Finance Limited



1.0. INTRODUCTION

1.1. Pursuant to Regulation 30(4)(ii) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (**Listing Regulations**), the Board of Directors ("**the Board**") of Sakthi Finance Limited ("**the Company**") has adopted this Policy at their meeting held on 12th February 2016 for determination of materiality of events or information for disclosure to the Stock Exchanges under the Listing Regulations.

2.0. CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION

2.1. The Company shall consider the criteria as specified in clause (i) of sub-regulation (4) of Regulation 30 of the Listing Regulations 2015 for determination of materiality of events or information.

3.0. GUIDELINES FOR DETERMINING MATERIALITY

3.1. The Company shall consider the following criteria for determination of materiality of events/ information:

3.1.1. the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or

3.1.2. 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; [or]

3.1.3. the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:

3.1.3.1. two percent of turnover, as per the last audited consolidated financial statements of the Company;

3.1.3.2. 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;

3.1.3.3. 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;

3.1.4. In case where the criteria specified in sub-clauses (a), (b) and (c) is not applicable, an event or information may be treated as being material if in the opinion of the board of directors of the listed entity, the event or information is considered material:

3.2. Events or information that are to be disclosed on application of materiality criteria and the basis for determination of materiality are given in the **Annexure.**



3.3. Notwithstanding the above, all the events or information specified in para A of Part A of Schedule III to the Listing Regulations shall be deemed to be material events or information and will have to be disclosed without application of materiality criteria upon occurrence of the event.

4.0. AUTHORISATION TO KEY MANAGERIAL PERSONNEL ("KMP") FOR DETERMINING MATERIALITY OF AN EVENT OR INFORMATION

4.1. In terms of Regulation 30(5) of the Listing Regulations, the Board of Directors of the Company severally authorises Sri M. Balasubramaniam, Vice Chairman and Managing Director and Srinivasan Anand, Chief Financial Officer for the purpose of determining materiality of an event or information and the appropriate period/stage for disclosures to be made, based on the guidelines of this policy on matters not falling within the events or information and the criteria mentioned in Annexure. Sri C Subramaniam, Company Secretary (Compliance Officer), has been authorised for the purpose of making disclosures to the Stock Exchanges and on the website of the Company based on the decision of the Vice Chairman and Managing Director.

5.0. EFFECTIVE DATE

5.1. This Policy comes into force with immediate effect.

6.0. AMENDMENT

6.1. Any amendment/modification to the Listing Regulations and/or other applicable laws in this regard shall become applicable to this Policy and this Policy shall be deemed to have been amended accordingly.

6.2. The Board of Directors shall have the right to withdraw, substitute and/or amend this Policy at any time as it may deem necessary and appropriate. The decision of the Board in this respect shall be final and binding.

Date: 7th August 2023

Place: Coimbatore

(As amended by the Board of Directors at their meeting held on 7th August 2023)



ANNEXURE

Events or information and corresponding criteria for determining their materiality pursuant to Para B of Part A of Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 3 of this Policy.

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
2. Any of the following events pertaining to the listed entity:
 - a. arrangements for strategic, technical, manufacturing, or marketing tie-up; or
 - b. adoption of new line(s) of business; or
 - c. closure of operation of any unit, division or subsidiary (in entirety or in piecemeal)
3. Capacity addition or product launch
4. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts, not in the normal course of business:
5. Agreements (viz. loan agreement(s) or any other agreement(s) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof.
6. Disruption of operations of any one or more units or division due to natural calamity (like earthquake, flood, fire, etc.), *force majeure* or events such as strikes, lockouts, etc.
7. Effect(s) arising out of change in the regulatory framework applicable to the Company.
8. Frauds or defaults by employees of the listed entity which has or may have an impact on the listed entity.
9. Options to purchase securities (including any Share Based Employee Benefit (SBEB) Scheme)
10. Giving of guarantees or indemnity or becoming a surety, by whatever name called, for any third party
11. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
12. Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority.



A handwritten signature or mark in blue ink, consisting of a stylized cursive letter 'm' followed by a horizontal line.