SAVANI FINANCIALS LIMITED

POLICY ON DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION

I. BACKGROUND

Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Regulations**") requires every Listed Company to frame a policy for determination of materiality of an event/information based on the criteria specified in Regulation 30 for disclosure to the Stock Exchanges and hosting of it on the website of the company.

Regulation 30 of the Regulations mandates the disclosure of all events specified in Para A of Part A of Schedule III of the Regulations (deemed material events) to the Stock Exchange(s).

The disclosure of events specified in Para B of Part A of Schedule III of the Regulations (reproduced as an Annexure to this Policy) shall be made to the Stock Exchange(s) based on the application of following materiality thresholds.

II. GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION

The Company shall consider the following criteria for determination of materiality of any event/ information specified in the Annexure to this policy as and when they occur :

Where the omission of an event/ information, is likely to result in :
(a) discontinuity or alteration of event/ information already available publicly; or
(b) a significant market reaction if the said omission came to light at a later date.

Where the criteria specified in points (a) and (b) above are not applicable, the event/ information may be considered material for disclosure, upon meeting materiality thresholds as mentioned herein below.

III. MATERIALITY THRESHOLDS

Materiality of the events/information specified in the Annexure must be determined on a case to case basis depending on specific facts and circumstances relating to the event/ information.

The Company shall consider the qualitative criteria specified in points (a) and (b) above and the following quantitative criteria for determination of materiality of any event/information specified in the Annexure as and when they occur:

An event/information specified in the Annexure to the Policy would be considered material if the impact of the event/ information as per the latest Audited Balance Sheet is as under:

(a) For events at Sr. No. 1 to 7, 9 and 12 of the Annexure - if it exceeds 20% of the Net Worth

(b) For event at Sr. No. 11 of the Annexure - if it exceeds 30% of the Net Worth.

IV. AUTHORITY TO DETERMINE MATERIALITY

For the events/information in the Annexure to the Policy for which thresholds are not prescribed in Clause III above, the Managing Director or the Company Secretary are severally authorised for the purpose of determining materiality of an event/information.

V. DISCLOSURE PROCESS

The Managing Director or the Company Secretary are severally authorised to make the disclosure of material events/information to the Stock Exchanges. Subsequent to the disclosure to the Stock Exchanges, material events/information should be hosted on the website of the Company for a period of 5 years.

VI. MODIFICATION OF THE POLICY

In case of any amendments to the Regulations, which makes any of the provisions in the Policy inconsistent, the provisions of the Regulations shall prevail. Further, in case there are any regulatory changes, which require modifications to the Policy, the Policy shall be reviewed and amended with due approval from the Managing Director of the Company.

ANNEXURE

Events which shall be disclosed upon application of materiality thresholds as set out above:

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
2. Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirety or 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) (as a borrower) or any other agreement(s) which are binding and not in normal course of business) and revision(s) or amendment(s) or termination(s) thereof.
6. Disruption of operations of any one or more units or division of the Company due to natural calamity (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. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Fraud/defaults etc., by directors (other than key managerial personnel) or employees of the Company.
10. Options to purchase securities including any ESOP/ESPS Scheme.
11. Giving of guarantees or indemnity or becoming a surety for any third party.
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

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