

## **POLICY ON DETERMINATION OF MATERIALITY OF EVENTS OR INFORMATION**

### **INTRODUCTION**

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.

M/s. Savani Financials Limited (hereinafter referred to as the “Company”) is committed to being open and transparent with all stakeholders and to disseminating information in a fair and timely manner. The Company will comply with the continuous disclosure obligations as mandated by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”), as amended from time to time.

### **LEGAL FRAMEWORK**

This Policy for determination of Materiality of Events or Information (the “Policy”) is aimed at providing guidelines to the Management of the Company to determine the materiality of events or information, which could affect the investment decisions and ensure timely and adequate dissemination of information to the Stock Exchanges.

## DEFINITION

“**Act**” means the Companies Act, 2013 and the rules framed thereunder, as amended from time to time.

“**Board of Directors**” or “**Board**” means the Board of Directors of the Company.

“**Company**” means **Savani Financials Limited**.

“**Key Managerial Personnel**” means key managerial personnel as defined under sub-section (51) of section 2 of the Companies Act, 2013.

“**LODR Regulations**” means the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“**Net Worth**” shall have the meaning assigned to it in Section 2(57) of the Act.

“**Policy**” means this policy, as amended from time to time.

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

“**Rules**” means the rules made under the Act. (j) “**Stock Exchange(s)**” means BSE Limited where the equity shares of the Company are listed.

## OBJECTIVE

The objectives of this Policy are as follows:

- i. To ensure that the Company complies with the disclosure obligations to which it is subject as a publicly traded Company as laid down by the Listing Regulations, various securities laws and any other legislations.

- ii. To ensure that the information disclosed by the Company is timely and transparent.
- iii. To ensure that corporate documents and public statements are accurate and do not contain any misrepresentation.
- iv. To protect the confidentiality of material/ price sensitive information within the context of the Company's disclosure obligations.
- v. To provide a framework that supports and fosters confidence in the quality and integrity of information released by the Company.
- vi. To ensure uniformity in the Company's approach to disclosures, raise awareness and reduce the risk of selective disclosures.

#### **CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION**

The Listing Regulations lay down the following criteria for determining the materiality of event or information:

All events/information stated in Para A of Part A of Schedule III to the Listing Regulations are deemed to be material and shall be disclosed without application of materiality thresholds applicable to the Company.

All events specified in Para B of Part A of Schedule III of the Listing Regulations are to be disclosed based on materiality thresholds applicable to the Company.

Criteria for disclosure of events specified in Para B of Part A of Schedule III is given below:

#### **QUANTITATIVE CRITERIA**

The authorized key managerial personnel shall consider whether 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 absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company.

### **QUALITATIVE CRITERIA**

The authorized key managerial personnel shall also consider the following criteria for determination of materiality of events/information:

- i. The omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly.
- ii. The omission of an event or information, which is likely to result in significant market reaction, if the said omission came to light later.

In case where the criteria specified in sub-clauses (a) and (b) above is not applicable, an event or information may be treated as being material if in the opinion of the Board of Directors or the authorized key managerial personnel of the Company, the event or information is considered material.

In addition to above criteria the following factors shall also be considered while determination of materiality of event/ information:

Any event/ information which directly or indirectly may affect the reputation of the Company; or

Any event/ information, which if not disclosed promptly may lead to creation of false market in the securities of the Company; or

Any event/ information which is not in the normal course of business.

Events/information with respect to any subsidiary of the Company would be considered material for the Company if the value or expected impact of the event/ information on the Company in terms of value exceeds the materiality thresholds described in above paragraphs.

### **AUTHORITY TO DETERMINE MATERIALITY**

The Board of Directors of the listed entity shall authorize one or more Key Managerial Personnel to determine the materiality of an event/information and to make disclosures to stock exchanges. The contact details of the Company Secretary and KMP shall be disclosed to the Stock Exchange and be placed on the Company's website.

### **DISCLOSURE ON THE WEBSITE OF THE COMPANY**

All such events or information which has been disclosed to Stock Exchanges under the Listing Regulations shall be made available on the Company's website. Such events or information shall be placed on the website of the Company for a minimum period of five years. The Policy and the contact details of the persons authorized by the Board shall be available on the website of the Company.

### **DISCLOSURE OF EVENTS OR INFORMATION**

All events/information identified as material in line with the regulation and under this Policy shall be disclosed as soon as reasonably possible and, in any case, not later than the following:

For all material events/ information for which decision is taken in a Board meeting within 30 (thirty) minutes from the closure of the board meeting.

For all material events/ information emanating from within the Company within 12 (twelve) hours from the occurrence of the event or information.

For all material events/ information relating to the Company but emanating from outside the Company within 24 (twenty-four) hours from the occurrence of the event or information.

In case the disclosure is made after the stipulated timeline, the Company shall provide an explanation for the delay along with the disclosure.

The Company shall disclose all further material developments with respect to the disclosures referred to in this Policy on a regular basis, till the event is resolved / closed, with relevant explanations.

#### **PERSON(S) RESPONSIBLE FOR DISCLOSURE**

The Board of Directors of the Company has authorized Company Secretary / Chief Financial Officer (Authorized Person) in consultation with the Managing Director to determine the materiality of an event or information and to make appropriate disclosure on a timely basis. The Authorized Person is empowered to seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders as he/she may deem fit.

#### **POLICY REVIEW**

The Authorized Person may review the Policy from time to time. Material Changes to the Policy will need the approval of the Board of Directors. Should there be any inconsistency between the terms of the Policy and the Listing Regulations, the provisions of the Listing Regulations shall prevail. Any amendments to the Listing Regulations shall mutatis mutandis be deemed to have been incorporated in this Policy.

#### **AMENDMENTS**

The Board of Directors of the Company reserves the right to amend or modify this Policy in whole or in part, as may be required, at any point of time. In case of any amendments to the Regulations, which make 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 Board of Directors of the Company.