

SFL Policy for Determination of Materiality of Events/Information
[Pursuant to Regulation 30(4)(ii) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]
[amended on 11th August 2023]

The SFL Policy (the Policy) for Determination of Materiality of Events/Information shall come into effect from the date it is approved by the Board of Directors.

The Policy is being framed in compliance with the requirement stipulated under Regulation 30(4)(ii) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

The objective of the Policy is for determination of materiality of events/information, as well as to assist other relevant employees in identifying any potential material event or information, and reporting the same to the authorised Key Managerial Personnel, based on the following criteria:

The omission of an event/information:

- a) which is likely to result in discontinuity or alteration of event or information already available publicly; or
- b) is likely to result in significant market reaction if the said omission came to light at a later date; or
- c) whose value or the expected impact in terms of value, exceeds the lower of the following:
 1. two percent of turnover, as per the last audited consolidated financial statements of the Company;
 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. 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;"

The Policy shall be applicable to determine the materiality in respect of the following types of event/information, as laid down under Para B of Part A of Schedule III to the SEBI LODR:

Events which shall be disclosed upon application of the guidelines for materiality referred sub-regulation (4) of regulation (30):

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:
 - (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) and revision(s) or amendment(s) or termination(s) thereof.
6. Disruption of operations of any one or more units or division of the listed entity 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 listed entity.
8. Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the Company.
9. Frauds or defaults by employees of the listed entity which has or may have an impact on the Company.
10. Options to purchase securities including any ESOP/ESPS Scheme.
11. Giving of guarantees or indemnity or becoming a surety, by whatever named called, for any third party.
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.
13. Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority.

In cases where the criteria laid down under the Policy are not directly applicable, an event/information shall be treated as being material, if, in the opinion of the Board of Directors, the said event/information is considered material.

