



## SURYAAMBA SPINNING MILLS LIMITED

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### SURYAAMBA SPINNING MILLS LIMITED

## POLICY ON DETERMINATION OF MATERIALITY FOR DISCLOSURE OF EVENTS OR INFORMATION

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#### LEGAL FRAMEWORK

This Policy for Determination of Materiality of Events or Information is aimed at providing guidelines to the management of Suryaamba Spinning Mills Limited, to determine the materiality of events or information, which could affect investment decisions and ensure timely and adequate dissemination of information to the Stock Exchange(s).

This Policy has been formulated in accordance with the current guidelines laid down by Securities Exchange Board of India under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') with respect to disclosure of events and information.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, issued on September 2, 2015, the Board of Directors adopted the "Policy for Determination of Materiality of Events or Information" effective from December 1, 2015 and reviewed, and amended this Policy effective from April 1, 2019.

All words and expressions used but not defined in this Policy, but defined in the SEBI Act, 1992, Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, as amended, and/or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

#### OBJECTIVE

The objective of this Policy is to serve as a guiding charter to the management to ensure that timely and adequate disclosure of events or information are made to the investor community by the Company under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to enable them to take well informed investment decisions with regard to the securities of the Company.



## **EVENTS WHICH ARE DEEMED TO BE MATERIAL EVENTS**

The Company shall disclose all such events which are specified in **Para A of Part A of Schedule III** of the Listing Regulations (as applicable from time to time) without any application of the guidelines for materiality as specified in sub-regulation (2) of Regulation 30 of the Listing Regulations.

## **EVENTS WHICH ARE DEPENDENT ON APPLICATION OF GUIDELINES FOR MATERIALITY**

The Company shall disclose all such material events pertaining to itself or its subsidiary(ies), specified in **Para B of Part A of Schedule III** of the Listing Regulations subject to application of guidelines for materiality.

## **GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION**

Events / information shall be considered as Material if it meets any of the following criteria:

- a) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- b) 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
- c) any other event/information may be treated as being material if in the opinion of the Board of Directors of Company, the event / information is considered material.

## **ANY OTHER INFORMATION / EVENT WHICH IS TO BE DISCLOSED BY THE COMPANY**

The Company shall disclose major developments that are likely to affect business, e.g. emergence of new technologies, expiry of patents, any change of accounting policy that may have a significant impact on the accounts, etc. and brief details thereof and any other information which is exclusively known to the Company which may be necessary to enable the holders of securities of the Company to appraise its position and to avoid the establishment of a false market in such securities.

## **GUIDELINES ON OCCURRENCE OF AN EVENT / INFORMATION**

The occurrence of material event/information would be either by the Company's own accord or not in the hands of the Company. It can be categorized as under:

- a) depends upon the stage of discussion, negotiation or approval; and
- b) in case of natural calamities, disruptions etc., it would depend upon the timing when the company became aware of the event/information.

In respect of the events under (a), the events/information can be said to have occurred upon receipt of approval of Board of Directors, e.g. further issue of capital by rights issuance and in certain events/information after receipt of approval of both i.e. Board of Directors and shareholders.



However, considering the price sensitivity involved, for certain events e.g. decision on declaration of dividends etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, pending shareholder's approval.

In respect of the events under (b), the events/information can be said to have occurred when the Company becomes aware of the events/information, or as soon as, an officer of the entity has, or ought to have reasonably come into possession of the information in the course of the performance of his duties. The term 'officer' shall have the same meaning as defined under the Act and shall also include Promoter of the Company.

### **AUTHORITY FOR THE PURPOSE OF DETERMINING MATERIALITY OF AN EVENT OR INFORMATION AND FOR THE PURPOSE OF MAKING DISCLOSURES TO STOCK EXCHANGE**

The following KMPs are hereby severally authorized by Board of Directors for the purpose of determining materiality of an event or information and for the purpose of making disclosures to Stock Exchange(s) ("Authorized Person(s)"):

- a. Managing Director
- b. Wholetime Director
- c. Chief Financial Officer
- d. Company Secretary

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.

The materiality of events outlined above are indicative in nature. There may be a likelihood of some unforeseen events emerging due to the prevailing business scenario from time to time. Hence, the relevant Authorized Person should exercise his/her own judgment while assessing the materiality of events associated with the Company. Details of KMPs authorized shall be also disclosed to the Stock Exchange(s) and as well as on Company's website.

### **GUIDANCE ON TIMING OF AN EVENT OR INFORMATION**

- i. The Company shall disclose to the stock exchanges of all material events or information as soon as reasonably possible and not later than twenty four hours from the occurrence of event or information. However in case the disclosure is made after twenty four hours of occurrence of the event or information, the Company shall, along with such disclosures provide explanation for delay;
- ii. Events specified under clause 4 in Para A of Part A of Schedule III of the Listing Regulations shall be specifically made within thirty minutes of the conclusion of the board meeting along with the time of commencement and conclusion of the meeting.



## AMENDMENTS

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

## WEBSITE

As per the provisions of the Listing Regulations, the Policy shall be disclosed on the website of the Company. Further, the Company shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under the Listing Regulations and such disclosures shall be made available on the website of the Company for a period of five years and thereafter as per the Documentation Retention and Archival Policy of the Company.

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