



# SAMBANDAM SPINNING MILLS LIMITED

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## POLICY ON DISCLOSURE OF MATERIAL EVENTS

### PREAMBLE

This Policy has been formulated in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### PURPOSE

Purpose of this Policy is to determine the events and information which in the opinion of the Board are material and also necessary to be disclosed to the Stock Exchanges within the time schedule stipulated under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### DEFINITIONS

For the purpose of this policy reference to the following shall be construed as

“**Applicable Law**” shall mean the Companies Act, 2013 and the rules framed there under, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and include any other statute, law, standards, regulations or other instructions / directions issued by the Central or State Governments with amendments thereto as may be applicable to the Company from time to time.

- “**Board**” means the Board of Directors of the Company.
- “**Company**” refers to Sambandam Spinning Mills Limited.
- “**Compliance Officer**” shall mean the Company Secretary of the Company.
- “**Independent Director**” shall have the meaning as defined under the Companies Act, 2013 read with relevant rules and Clause 49 of the Listing agreement, as amended from time to time.
- “**Key Management Personnel**” refers to the Chairman and Managing Director, Company Secretary, Whole Time Director(s), Chief Financial Officer and such other Officer as may be prescribed under the Applicable Law.
- “**LODR**” means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- “**Material Events**” are those specified in Para A of Part A of Schedule III of the LODR.
- “**Other Events**” are those as may be decided from time to time and in accordance with Para B of Part A of Schedule III, as specified in sub-regulation (4) of LODR.
- “**Policy**” means the contents herein including any amendments thereto incorporated by the Board of Directors of the Company from time to time.

All the other terms not defined herein shall take their meaning from the Applicable Law.

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## **EFFECTIVE DATE**

This Policy approved by the Board of Directors of the Company shall come into force from 1<sup>st</sup> December, 2015.

## **DETERMINATION OF MATERIALITY**

Board of Directors of the Company either based on the recommendation of the Audit Committee of the Board or as may be decided by the board from time to time, determine the events which are classified under different categories to be material and other events having a bearing on the performance of the Company or on the share price of the Company, which needs to be disclosed to the stock exchanges as per the time schedule specified against each category.

## **CATEGORY A**

Events/Decisions considered Material which in the opinion of the Board of Directors of the Company should be disclosed to the stock exchanges **within 24 hours of the decision taken at the Board Meeting. Such events/decisions include the following:**

- Acquisition (including agreement to acquire), Scheme of Arrangement which includes amalgamation / merger / demerger / restructuring, sale or disposal of any unit or division of the Company or any other restructuring ;
- Issue of Securities or Forfeiture of Securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in the terms or structure of the existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc. ;
- Shareholder agreement, Joint Venture, Family settlement agreement, agreement / treaty / contract with media companies ;
- Fraud/default by promoters or key managerial personnel; arrest of KMP or promoter;
- Reference to BIFR and winding-up petition filed by any party / creditors ;
- Revision, if any, in the rating of Securities ;
- Change in Directorship, key managerial personnel, Auditor or Compliance Officer
- Appointment or discontinuance of Share Transfer Agent ;
- Corporate Debt Restructuring or Reschedulement ;
- One time settlement with Banks ;
- Issuance of Notices, call letters, resolutions and circulars sent to shareholders, debenture holders or creditors or any class of them or advertised in the media by the Company ;
- Proceedings of the Annual General Meeting or Extra-Ordinary General Meeting ;
- Amendments to Memorandum of Association or Articles of Association.

Note: If the Management is not in a position to inform the stock exchange within 24 hours of the decision taken at the Board Meeting on any of the above items, then it shall inform the stock exchange as soon as it is possible with an explanation as to the reason for delay in disclosing the said information.

**CATEGORY B**

Events / Decisions considered Material which in the opinion of the Board of Directors of the Company should be disclosed to the stock exchanges **within 30 minutes of the closure of the Board Meeting. Such events/decisions include the following:**

- Declaration of Dividend, cash bonuses recommended or declared and other information pertaining to them ;
- Cancellation of dividend, if any, with reasons thereof ;
- Buyback of shares or alteration of capital ;
- Fund raising proposed to be undertaken by the Company ;
- Increase in capital by issue of bonus shares ;
- Reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue ;
- Financial results – Audited or Unaudited ;
- Voluntary delisting from stock exchanges .

Intimation of the outcome of the Board Meeting on the above items shall also contain the time of commencement and conclusion of the Board Meeting.

**CATEGORY C**

Miscellaneous Events / Decisions not considered Material in the opinion of the Board of Directors which however, needs to be disclosed to the stock exchanges **as soon as it is possible when the necessary information is ready to be publicised. Such events/decisions include the following:**

- Schedule of Analyst or Institutional investor meet with the presentation ;
- Commencement or postponement of the date of commercial production or operation of any unit / division ;
- Receipt of any Award ;
- Change in the general character or nature of business brought about by any arrangement for strategic, technical manufacturing or marketing tie-up, new line of business or closure of operations of any unit / division ;
- Capacity addition or New Product launch ;
- Agreements for loan not in the normal course of business ;
- Disruption of operation of any one or more units due to natural calamity ;
- Effects arising out of any change in the regulatory framework applicable to the Company ;
- Any Litigation / Dispute / Regulatory action with impact ;
- Option to purchase Securities including those under the ESPS /ESOP Scheme ;
- Giving of guarantee or indemnity or becoming a surety for any third party ;
- Emergence of new technologies ;
- Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals ;

- Any other information that may be deemed necessary jointly or severally by the KMPs of the Company who would consider that it is necessary for the holders of the securities of the listed entity to apprise them of the status/position and to avoid establishment of a false market ;
- The Board may in its discretion also authorise the KMPs to disclose such events, information or material that in its wisdom may be necessary for the Members of the exchange to know the information ;
- Change in accounting policy ;
- Expiry of Patents.

The Management shall periodically bring to the attention of the Board of Directors of the Company, all information, events or materials which in its opinion has to be brought to the attention of the Members of the Stock Exchanges.

### **CRITERIA FOR DISCLOSURE OF EVENTS / INFORMATION**

- Omission of an event or information which is likely to result in discontinuity or alteration of the event or information already available in the public domain ;
- Omission of an event or information which is likely to result in significant market reaction if the said information comes to light at a later date ;
- In case where the criteria of an event / information does not fall in the first two categories, but still in the opinion of the board of directors they are considered material to be disclosed to the Stock Exchange.

### **WEBSITE UPDATION / UPDATES TO STOCK EXCHANGES**

The Company will update all disclosures made under the regulations to the stock exchanges in its website and will continue to retain them in the website for a minimum period of five years and thereafter such disclosures will be archived as per the Document Preservation and Archival Policy of the Company.

Compliance Officer or any other person authorised by the Board of Directors of the Company shall give intimation to the Stock Exchange on any material event that may have been first informed to the stock exchanges including further developments, if any, on such events. Such updates will also be hosted on the website of the Company.

### **DISCLOSURE OF THE POLICY**

This policy will be hosted in the website of the Company in accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **REVIEW OF THE POLICY**

This policy is subject to review as may be deemed necessary to comply with any regulatory amendment or statutory modification and subject to the approval of the Board of Directors of the Company from time to time.