



KANDAGIRI SPINNING MILLS LIMITED

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POLICY ON DISCLOSURE OF MATERIAL EVENTS

PREAMBLE

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

PURPOSE

The purpose of this Policy is to determine the events and information which in the opinion of the Board are material and need 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 purposes of this policy references to the following shall be construed as

“**Applicable Law**” shall mean the Companies Act, 2013 and the rules framed thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and include any other statute, law, standards, regulations or other governmental instruction with the amendments thereto as may be applicable to the Company from time to time.

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

“**Company**” refers to Kandagiri Spinning Mills Limited.

“**Compliance Officer**” shall mean Company Secretary of the Company.

“**Independent Director**” shall have the meaning as defined under the Companies Act, 2013 read with relevant rules and the Clause 49 of the Listing agreement; as amended from time to time.

“**Key Management Personnel**” means Chairman and Managing Director, Company Secretary, Whole Time Director, Chief Financial Officer and such other Officer as may be prescribed under Applicable law.

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

“**Material Events**” are those that are specified in Para A of Part A of Schedule III of the LODR.

“**Policy**” means the contents herein including any amendments made by the Board of Directors of the Company.

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

EFFECTIVE DATE

This Policy as approved by the Board of Directors shall become effective from 1st December, 2015.

DETERMINATION OF MATERIALITY

The Board of Directors of the Company either based on the recommendation of the Audit Committee of Directors or suo-moto shall determine the events which are classified under different categories to be material and / or other events having a bearing on the performance of the Company and on the share prices of the Company, which needs to be disclosed to the stock exchanges as per the time schedule specified against each category.

CATEGORY A

Events considered Material in view of the Board of Directors required to be disclosed to the stock exchanges within **24 hours** of the decision taken at the Board Meeting are:

- Acquisition, (including agreement to acquire), Scheme of Arrangement which includes amalgamation / merger / demerger / restructuring), or sale or disposal of unit(s), division(s) or subsidiary of the listed entity or any other restructuring.
- Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.,.
- Shareholder agreement, JV, Family settlement agreement, agreement / treaty / contract with media companies to the extent they impact Management and control of the listed entity and which are not in the normal course of business
- Fraud / default by promoters or key managerial personnel and arrest of KMP or promoter.
- Reference to BIFR and winding-up petition filed by any party / creditors.
- Revision in ratings.
- Change in directors, Key Managerial Personnel, Auditor and Compliance Officer.
- Appointment and discontinuance of share transfer agent.
- Corporate debt restructuring
- One time settlement with bank.
- 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 listed entity.
- Proceedings of the Annual or Extra General Meeting
- Amendments to Memorandum and Articles of Association.
- Schedule of Analyst or institutional investor meet and presentation on financial results.

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, then it shall inform the stock exchange as soon as it is possible with an explanation as to reason for delay in disclosing the said information.

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CATEGORY B

Events / Decisions considered Material in view of the Board of Directors required to be disclosed to the stock exchanges within **30 minutes of the closure of the Board Meeting** are:

- Declaration of Dividend and / or cash bonuses recommended or declared and other information pertaining to them.
- Cancellation of dividend with reasons thereof;
- Buyback of shares
- Fund raising proposed to be undertaken.
- 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
- Alteration of capital
- Financial results
- 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 view of the Board of Directors which however, required to be disclosed to the stock exchanges within **as soon as it is possible when the necessary information is ready to be publicised** which are:

- Commencement or postponement of the date of commercial production or operation of any unit / division.
- Change in the general character or nature of business brought about by arrangements 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.
- Awarding, bagging / receiving.
- 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 change in regulatory framework applicable to the listed entity.
- Litigation / dispute / regulatory action(s) with impact.
- Options to purchase securities including ESOP/ESPS scheme
- Giving of guarantees 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.
- Expiry of patents.
- Change in accounting policy.

- Any other information that may be deemed necessary jointly and 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 appraise its position and to avoid the 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.
- i. 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

- The omission of an event or information would likely to result in discontinuity or alteration of event or information already available publicly.
- 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;
- 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 are considered material.

WEBSITE UPDATION / UPDATES TO STOCK EXCHANGES

The Company shall update all disclosures made under the regulations to the stock exchanges in its website and shall be continued to be hosted in the website for a minimum period of five years and thereafter archived as per the document preservation and archival policy of the Company.

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

DISCLOSURE OF THE POLICY

This policy shall 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 shall be subject to review as may be deemed necessary and to comply with any regulatory amendments or statutory modifications and subject to the necessary approvals of the Board of Directors from to time.

