



**SAI SILKS (KALAMANDIR) LIMITED**

**POLICY ON CRITERIA FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION**

## 1. Legal Framework

The Policy on criteria for determining materiality of Events or Information (the “Policy”) is aimed at providing guidelines to the Management of Sai Silks (Kalamandir) Limited (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.

This Policy has been formulated in accordance with the current guidelines laid down by Securities Exchange Board of India (“SEBI”), under Regulation 30 of 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, and as may be amended from time to time, the Board of Directors of the Company in its meeting held on 04.06.2022 approved the "Policy for Determination of Materiality of Events or Information". The Board shall review, and if required, may amend this Policy from time to time.

## 2. Definitions

In this Policy, unless the context otherwise requires:

- a. **“Board of Directors”** or **“Board”**) means the Board of Directors of the Company.
- b. **“Company”** means Sai Silks (Kalamandir) Limited.
- c. **“Key Managerial Personnel”** mean key managerial personnel as defined in sub-section (51) of the section 2 of the Companies Act, 2013;
- d. **“LODR Regulations or Listing Regulations”** means the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- e. **“Net Worth”** shall have the meaning assigned to it in Section 2(57) of the Act
- f. **“Promoter”** and **“Promoter Group”** shall have the same meaning as assigned to them respectively in clauses (oo) and (pp) of Regulation 2(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- g. **“Stock Exchange(s)”** means BSE Limited and the National Stock Exchange of India Limited, where the equity shares of the Company are listed;
- h. **“Subsidiary”** means a subsidiary as defined under Section 2(87) of the Companies Act, 2013.
- i. **“Turnover”** shall have the meaning assigned to it in Section 2(91) of the Act;

### **3. Objective**

The objectives of this Policy are as follows:

- a. To ensure that the Company complies with the disclosure obligations as laid down by the SEBI Listing Regulations, 2015;
- b. To ensure that the information disclosed by the Company is timely and transparent;
- c. To ensure that corporate documents and public statements are accurate and do not contain any misrepresentation;
- d. To protect the confidentiality of Material / Price sensitive information within the context of the Company's disclosure obligations;
- e. To provide a framework that supports and fosters confidence in the quality and integrity of information released by the Company;
- f. To ensure uniformity in the Company's approach to disclosures, raise awareness and reduce the risk of selective disclosures.

### **4. Guidelines for determining of materiality of Events / information**

Materiality will be determined on a case-to-case basis depending on the facts and the circumstances pertaining to the event or information.

In terms of Regulation 30(4) of SEBI Listing Regulations, 2015, the Company shall consider the following criteria for determining the materiality of an event / information for the purpose of disclosure to Stock Exchanges:

- 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. 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 of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company.
- d. In case where the criteria specified in sub-clauses (a), (b) and (c) is not applicable, an event or information may be treated as being material if in the opinion of the board of directors of the Company, the event or information is considered material.

## **5. Disclosure of Events or Information**

Information relating to material events and which is price sensitive in nature, shall be promptly disseminated to the Stock Exchanges. For this purpose, material event means any information which relates to the Company and which, if published is likely to materially affect the price of shares of the Company.

- i. The Company shall make disclosure of events specified in Annexure 1 (Events specified in Para A of Part A of Schedule III of the Listing Regulations and as may be amended from time to time), without applying any test of materiality to the stock exchanges within specified timelines.
- ii. The Company shall make disclosure of events specified in Annexure 2 (Events specified in Para B of Part A of Schedule III of the Listing Regulations and as may be amended from time to time), based on application of the guidelines for materiality, to the stock exchanges within specified timelines, as specified below:
- iii. Any other information/event viz. major development that is 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 shareholders of the Company to appraise its position and to avoid the establishment of a false market in shares of the Company, would be disclosed as advised by the Board from time to time.
- iv. In case where an event occurs or information is available with the company, which has not been indicated in Annexure 1 and 2, but in the opinion of the Board of Directors, is material, the Company shall make adequate disclosures in regard thereof.

## **6. Disclosure of material events / information**

The Company shall disclose to the stock exchanges of all events, specified in Annexure-1 or information as soon as reasonably possible and in any case not later than the following:

- i. Thirty minutes from the closure of the meeting of the board of directors in which the decision pertaining to the event or information has been taken;
- ii. Twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the listed entity;
- iii. Twenty-four hours from the occurrence of the event or information, in case the event or information is not emanating from within the listed entity.

In the event, the disclosure of occurrence of the event or information is made after the timelines referred of in the Annexure 1 & 2, the Company shall, along with such disclosures provide an explanation for such delay.

The Company shall make disclosures updating the material developments pertaining to material events on a regular basis, till such time the event is resolved/closed, and to be disclosed to the stock exchanges with relevant explanations.

The Company shall also disclose all events or information with respect to subsidiaries which are material, if any, for the Company.

The Company shall disclose the details of the material events/ information, as provided in SEBI Circular dated September 9, 2015, in respect of details that need to be provided while disclosing events given in Para A and Para B of Part A of Schedule III of the Listing Regulations 2015 and amendments if any, from time to time.

Further, the Company shall make the necessary disclosure under Regulation 30A of the SEBI (LODR) Regulations as given below:

- a. All the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel and employees of a listed entity or of its holding, subsidiary and associate company, who are parties to the agreements specified in clause 5A of para A of part A of schedule III to LODR regulations (Annexure-3), shall inform the listed entity about the agreement to which such a listed entity is not a party, within **two working days** of entering into such agreements or signing an agreement to enter into such agreements:
- b. The Company shall disclose the number of agreements and its salient features, including the link to the webpage where the details of such agreements are available in its Annual Report.

## **7. Authorization for disclosures**

The Board of Directors of the Company have authorized the Managing Director or Chief Financial Officer or Company Secretary to determine the materiality of an event/information and to make disclosures to stock exchanges. The contact details of the authorized persons have been disclosed to the stock exchanges and also available on Company's website. The Authorised Persons are also empowered to seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders as they may deem fit.

The Authorized person will ascertain the materiality of such event or information based on the above guidelines. On completion of the assessment, the Authorized person shall make

appropriate disclosure(s) to the Stock Exchanges.

The Contact details of the Authorized KMPs are given below:

Mr. M.K.Bhaskara Teja  
Company Secretary & Compliance officer  
#6-3-790/8, Flat no:1, Bathina Apartments,  
Ameerpet, Hyderabad, Telangana 500016  
Email ID: secretarial@sskl.co.in  
Phone No. 040 66566555

#### **8. 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.

#### **9. Amendment**

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. Should there be any inconsistency between the terms of the Policy and the SEBI Listing Regulations, the provisions of the SEBI Listing Regulations shall prevail.

### Annexure -1

The following shall be the events, as specified in Para A of Part A of Schedule III of the Listing Regulations 2015 and as may be amended from time to time, upon occurrence of which the Company shall make disclosures to the Stock Exchanges.

Schedule III, Para A of Part A	Provision	Timeline
1	<p>Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation, merger, demerger or restructuring), sale or disposal of any unit(s), division(s), whole or substantially the whole of the undertaking(s) or subsidiary of the listed entity, sale of stake in associate company of the listed entity or any other restructuring</p> <p>the purpose of this sub-paragraph, the word 'acquisition' shall mean-</p> <ul style="list-style-type: none"> <li>i. acquiring control, whether directly or indirectly; or</li> <li>ii. acquiring or agreement to acquire shares or voting rights in a company, whether existing or to be incorporated, whether directly or indirectly, such that –           <ul style="list-style-type: none"> <li>a. the listed entity holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company; or</li> <li>b. there has been a change in holding from the last disclosure made under sub-clause (a) of clause (ii) of the Explanation to this sub-paragraph and such change exceeds two per cent of the total shareholding or voting rights in the said company; or</li> <li>c. the cost of acquisition or the price at which the shares are acquired exceeds the threshold specified in sub-clause (c) of clause (i) of sub-regulation (4) of regulation 30.</li> </ul> </li> </ul>	Within 12 hours*
2	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.	Within 12 hours*
3	New Ratings(s) or Revision in Rating(s)	Within 24 hours

<p>4</p>	<p>Outcome of Meetings of the board of directors: The listed entity shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:</p> <ol style="list-style-type: none"> <li>1. dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched</li> <li>2. any cancellation of dividend with reasons thereof</li> <li>3. the decision on buyback of securities</li> <li>4. the decision with respect to fund raising proposed to be undertaken</li> <li>5. increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/ dispatched</li> <li>6. reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to</li> <li>7. short particulars of any other alterations of capital, including calls</li> <li>8. financial results</li> <li>9. decision on voluntary delisting by the company from stock exchange(s)</li> </ol> <p>Provided that in case of board meetings being held for more than one day, the financial results shall be disclosed within thirty minutes of end of the meeting for the day on which it has been considered.</p>	<p>As specified in clause (i) of Regulation 30(6) of LODR.</p>
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Schedule III, Para A of Part A	Provision	Timeline
5A	<p>Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or impose any restriction or create any liability upon the listed entity, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the listed entity is a party to such agreements:</p> <p>Such agreements entered into by a listed entity in the normal course of business shall not be required to be disclosed unless they, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or they are required to be disclosed in terms of any other provisions of these regulations.</p>	<p>Within 12 hours * (for agreements where listed entity is a party);</p> <p>Within 24 hours (for agreements where listed entity is not a party).</p>
6	<p>Fraud or defaults by a listed entity, its promoter, director, key managerial personnel, senior management or subsidiary or arrest of key managerial personnel, senior management, promoter or director of the listed entity, whether occurred within India or abroad:</p>	<p>Within 24 hours</p>
7	<p>Change in directors, key managerial personnel (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), senior management, Auditor and Compliance Officer</p>	<p>Within 12 hours * (except in case of resignation);</p> <p>Within 24 hours (in case of resignation)</p>
7A	<p>In case of resignation of the auditor of the listed entity, detailed reasons for resignation of auditor, as given by the said auditor.</p>	<p>Timeline as specified in sub-para 7A of Para A of Schedule III.</p>

7B	Resignation of independent director including reasons for resignation.	Timeline as specified in sub-para 7B of Para A of Schedule III.
7C	Letter of resignation along with detailed reasons for the resignation as given by the key managerial personnel, senior management, Compliance Officer or director.	Timeline as specified in sub-para 7C of Para A of Schedule III.
7D	In case the Managing Director or Chief Executive Officer of the listed entity was indisposed or unavailable to fulfil the requirements of the role in a regular manner for more than forty five days in any rolling period of ninety days, the same along with the reasons for such indisposition or unavailability, shall be disclosed to the stock exchange(s).	Within 12 hours*
8	Appointment or discontinuation of share transfer agent.	Within 12 hours *
9	Resolution plan/ Restructuring in relation to loans/borrowings from banks/financial institutions.	Within 24 hours *
10	One time settlement with a bank.	Within 24 hours *
11	Winding-up petition filed by any party / creditors	Within 24 hours *
12	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.	Within 12 hours *
13	Proceedings of annual and extraordinary general meetings of the listed entity.	Within 12 hours *
14	Amendments to memorandum and articles of association of listed entity, in brief.	Within 12 hours *
15	(a) Schedule of analysts or institutional investors meet and presentations made by the listed entity to analysts or institutional investors.  (b) Audio or video recordings and transcripts of post earnings/quarterly calls, by whatever name called, conducted physically or through digital means.	Timeline as specified in sub-para 15 of Para A of Schedule III.

16	Events in relation to the corporate insolvency resolution process (CIRP) of a listed corporate debtor under the Insolvency Code.	Within 24 hours
17	<p>Initiation of Forensic audit: In case of initiation of forensic audit, (by whatever name called), the following disclosures shall be made to the stock exchanges by listed entities:</p> <p>a. The fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available;</p> <p>b. Final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the listed entity along with comments of the management, if any.</p>	<p>Within 12 hours * (if initiated by the listed entity);</p> <p>Within 24 hours (if initiated by external agency).</p>
18	Announcement or communication through social media intermediaries or mainstream media by directors, promoters, key managerial personnel or senior management of a listed entity, in relation to any event or information which is material for the listed entity in terms of regulation 30 of these regulations and is not already made available in the public domain by the listed entity.	Within 24 hours
19	<p>Action(s) initiated or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, in respect of the following:</p> <p>a. search or seizure; or</p> <p>b. re-opening of accounts under section 130 of the Companies Act, 2013; or</p> <p>c. investigation under the provisions of Chapter XIV of the Companies Act, 2013;</p>	Within 24 hours
20	<p>Action(s) taken or orders passed by any regulatory, statutory, enforcement authority or judicial body against the listed entity or its directors, key managerial personnel, senior management, promoter or subsidiary, in relation to the listed entity, in respect of the following:</p> <p>(a) suspension;</p> <p>(b) Imposition of fine or penalty;</p> <p>(c) settlement of proceedings;</p>	<p>Within 24 hours</p> <p>Imposition of fine or penalty which are lower than the monetary thresholds specified under Para A(20) of Part A of Schedule III of LODR</p>

	<p>(d) debarment;          (e) disqualification;          (f) closure of operations;          (g) sanctions imposed;          (h) warning or caution; or          (i) any other similar action(s) by whatever name called;</p> <p>along with the following details pertaining to the actions(s) initiated, taken or orders passed:</p> <ol style="list-style-type: none"> <li>a. name of the authority;</li> <li>b. nature and details of the action(s) taken, initiated or order(s) passed;</li> <li>c. date of receipt of direction or order, including any ad-interim or interim orders, or any other communication from the authority;</li> <li>d. details of the violation(s)/contravention(s) committed or alleged to be committed;</li> <li>e. impact on financial, operation or other activities of the listed entity, quantifiable in monetary terms to the extent possible.</li> </ol>	<p>shall be disclosed quarterly as part of Integrated Filing (Governance).</p>
21	<p>Voluntary revision of financial statements or the report of the board of directors of the listed entity under section 131 of the Companies Act, 2013.</p>	<p>Within 12 hours *</p>

\* **Note:** In case the event or information emanates from a decision taken in a meeting of board of directors, the same shall be disclosed within 30 minutes or 3 hours, as applicable as per Regulation 30(6), from the closure of such meeting as against the timeline indicated in the table above.

## Annexure -2

The following shall be the events, as specified in Para B,C,D of Part A of Schedule III of the Listing Regulations 2015 and as may be amended from time to time, upon occurrence of which the Company shall make disclosures to the Stock Exchanges, based on application of the guidelines for materiality.

Schedule III, Para B of Part A	Provision	Timeline
1	Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division	Within 12 hours*
2	Any of the following events pertaining to the listed entity: (i) arrangements for strategic, technical, manufacturing, or marketing tie-up; or (ii) adoption of new line(s) of business; or (iii) closure of operation of any unit, division, or subsidiary (entirety or piecemeal)	Within 12 hours*
3	Capacity addition or product launch.	Within 12 hours*
4	Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.	Within 24 hours
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.	Within 12 hours * (for agreements where listed entity is a party);  Within 24 hours (for agreements where listed entity is not a party).
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.	Within 24 hours
7	Effect(s) arising out of change in the regulatory framework applicable to the listed entity.	Within 24 hours
8	Pendency of any litigation(s) or dispute(s) or the outcome thereof which may have an impact on the listed entity.	Within 24 hours (except as provided)

		under Regulation 30(6) of LODR)  Updates on ongoing tax litigations or disputes shall be disclosed quarterly as part of Integrated Filing (Governance).
9	Frauds or defaults by employees of the listed entity which has or may have an impact on the listed entity.	Within 24 hours
10	Options to purchase securities including any ESOP/ESPS Scheme.	Within 12 hours*
11	Giving of guarantees or indemnity or becoming a surety, by whatever name called, for any third party.	Within 12 hours*
12	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.	Within 24 hours
13	Delay or default in the payment of fines, penalties, dues, etc. to any regulatory, statutory, enforcement or judicial authority.	Within 12 hours*
<b>Schedule III, Para C of Part A</b>	Any other information/event viz. major development that is 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 listed entity which may be necessary to enable the holders of securities of the listed entity to appraise its position and to avoid the establishment of a false market in such securities.	Within 24 hours*
<b>Schedule III, Para D of Part A</b>	Without prejudice to the generality of para (A), (B) and (C) above, the listed entity may make disclosures of event/information as specified by the Board from time to time.	Timeline as specified by the Board.

\* **Note:** In case the event or information emanates from a decision taken in a meeting of board of directors, the same shall be disclosed within 30 minutes or 3 hours, as applicable as per Regulation 30(6), from the closure of such meeting as against the timeline indicated in the table above.

### **Annexure-3**

Agreements entered into by the shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the listed entity or of its holding, subsidiary or associate company, among themselves or with the listed entity or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or impose any restriction or create any liability upon the listed entity, shall be disclosed to the Stock Exchanges, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the listed entity is a party to such agreements:

Such agreements entered into by a listed entity in the normal course of business shall not be required to be disclosed unless they, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the listed entity or they are required to be disclosed in terms of any other provisions of these regulations.

Explanation: For the purpose of this clause, the term “directly or indirectly” includes agreements creating obligation on the parties to such agreements to ensure that listed entity shall or shall not act in a particular manner