

SURYALAKSHMI COTTON MILLS LIMITED

**POLICY ON DISSEMINATION OF INFORMATION ON
THE MATERIAL EVENTS TO STOCK EXCHANGES**

SURYALAKSHMI COTTON MILLS LIMITED

Regd. Office. : 6th Floor, Surya Towers, 105, S.P.Road, Secunderabad – 500 003.

CIN : L17120AP1962PLC000923.

**POLICY ON DISSEMINATION OF INFORMATION ON THE MATERIAL EVENTS
TO STOCK EXCHANGES**

Foreword

Securities and Exchange Board of India vide Notification No. SEBI/LAD-RO/GN/2015-16/013 dated 2nd September, 2015 has notified Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The said Regulations are effective from 1st December, 2015.

In terms of Regulation 30 of the said Regulations, every listed Company shall formulate a policy to determine Material events.

Accordingly, in considering the said Regulations and to enable the present and potential investors to take informed decision relating to material information, the Company, has formulated a policy on dissemination of information on material events to Stock Exchanges.

1. Objective:

To disseminate the timely and accurate information about the material events to the Stock Exchanges promptly and with due authorization, such that the present and potential investors are able to take informed decision relating to their investment in the Company.

2. Definitions: for the purpose of this policy

- a) "Company" means SURYALAKSHMI COTTON MILLS LIMITED.
- b) "Companies Act" means the Companies Act, 2013.
- c) "Board of Directors" means the Board of Directors of Suryalakshmi Cotton Mills Limited.
- d) "Managing Director" means the Managing Director of the Company.
- e) "Stock Exchange" means a stock exchange which is recognized by the Central Government or Securities and Exchange Board of India under Section 4 of Securities Contracts (Regulation) Act, 1956.
- f) "Listing Agreement" means the Listing Agreement entered with the Stock Exchanges includes amendments made thereof from time to time.

- g) "Key Managerial Personnel" means the Key Managerial Personnel as defined under Section 2 (51) of the Companies Act, 2013. h) "Compliance Officer" means the Company Secretary of the Company.
- i) "Material" means any individual transaction or arrangement which, in the opinion of the Company, is significant to the operations or performance of the Company.
- j) "Policy" means policy on dissemination of information on the material events to Stock Exchanges.
- k) "Authority" shall mean the authority as defined under Clause 3.

3. Authority to disseminate the Information on Material Events:

The following Key Managerial Personnel are severally authorized to decide on the material events and disseminate the Material Events to the Stock Exchanges:
Managing Director and Company Secretary.

The Key Managerial Personnel may consider the following criteria for determining materiality of events/ information:

- a) If 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) If 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;
- c) In case where the criteria specified in sub-clauses (a) and (b) are not applicable, an event/information may be treated as being material if in the opinion of the Key Managerial Personnel (KMP) of listed entity, the event / information is considered material.

4. Material Events:

4.1 Material Events:

The following events are treated as material events which shall be disclosed to the Stock Exchanges as soon as reasonably possible and not later than twenty four hours from the occurrence of event or information:

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the listed entity or any other restructuring.
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.

3. Revision in Rating(s).
4. Outcome of meetings of the Board of Directors which needs to be disclosed within 30 minutes of the closure of meeting, held to consider or decide the following:
 - a) 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;
 - b) any cancellation of dividend with reasons thereof;
 - c) the decision on buyback of securities;
 - d) the decision with respect to fund raising proposed to be undertaken;
 - e) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares would be credited/dispatched;
 - f) 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;
 - g) short particulars of any other alterations of capital, including calls;
 - h) financial results;
 - i) decision on voluntary delisting by the listed entity from stock exchange(s).
5. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the listed entity), agreement(s)/treaty(ies)/contract(s) with media companies which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof.
6. Fraud/defaults by promoter or key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.
7. Change in directors, key managerial personnel (Managing Director, Whole-time Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), Auditor and Compliance Officer.
8. Appointment or discontinuation of share transfer agent.
9. Corporate debt restructuring ("CDR").
10. One time settlement (OTS) with a bank.
11. Reference to BIFR and winding-up petition filed by any party/creditors.

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.
13. Proceedings of Annual and Extra-ordinary General Meetings of the listed entity.
14. Amendments to Memorandum and Articles of Association of listed entity, in brief.
15. Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors;

4.2 Events which needs to be disclosed as decided by the Key Managerial Personnel:

The following event shall be disclosed to the Stock Exchanges depending on the materiality as may be decided by the Key Managerial personnel.

- i) Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
- ii) Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new lines of business or closure of operations of any unit/division (entirely or piecemeal).
- iii) Capacity addition or product launch.
- iv) Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
- v) Agreements (viz. loan agreement(s) (as a borrower) or any other agreement(s) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof.
- vi) 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.
- vii) Effect(s) arising out of change in the regulatory framework applicable to the listed entity.
- viii) Litigation(s) / dispute(s) / regulatory action(s) with impact.
- ix) Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity. x) Options to purchase securities (including any Share Based Employee Benefit (SBEB) Scheme.
- xi) Giving of guarantees or indemnity or becoming a surety for any third party.
- xii) Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

xiii) 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.

5. Treatment of Information on Material Events

- The Management, the Company's employees, as well as all those that enjoy a commercial or professional relationship with the Company must maintain Material Information confidential of which they are privy due to their post, position or relationship with the Company, until the same is announced to the Stock Exchanges.
- They should also ensure similar behavior on the part of subordinates and third parties with whom they maintain a position of trust.
- None of the aforementioned persons are permitted to use confidential, undisclosed Material Information in order to obtain undue advantage by trading the Company's Securities either directly or indirectly.

6. Effective date and Implementation

- 6.1 This Policy will become effective from 1st December, 2015 i.e., on the date of effect of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and may be altered or modified by the Board of Directors.
- 6.2 This Policy will be posted on the Website of the Company www.suryalakshmi.com.
- 6.3 The alteration or modification to this Policy must be reported to the Stock Exchanges where the shares of the Company are listed.
- 6.4 It is incumbent on Compliance Officer for the implementation and monitoring of this Policy.

7. General

- 7.1 In case of any doubt with regard to any provision of the policy and also in respect of matters not covered herein, a reference to be made to the Board of Directors and Compliance Officer. In all such matters, the interpretation & decision of the Board of Directors shall be final.
- 7.2 Any or all provisions of the Policy would be subject to revision/amendment in accordance with the guidelines as may be made by the Regulatory from time to time.