

## DEEPAK SPINNERS LIMITED

**Policy For Determination of Materiality of Disclosure**

[Pursuant to Regulation 30(4)(ii) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

**1. OBJECTIVE**

This Policy is framed in accordance with the requirements of the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as “Regulations”)

The objective of this policy is to define and determine materiality as required under Regulation 30(4)(ii) of the Regulations and to ensure that such information is adequately disseminated in pursuance with the Regulations and to provide an overall governance framework for such determination.

**2. CRITERIA FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION**

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

- (a) The price or value of the securities of the company in the normal course is likely to be affected on the basis of the disclosure of an event or information;
- (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;
- (c) The omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; and
- (d) Any other event / information which is treated as being material in the opinion of the Board of Directors of the Company.

**3. SCOPE**

The following will be the guidelines for determination of materiality in respect of the items mentioned as referred to in Regulation 30(3) of the Regulations.

Sr. No.	Events / Information	Guideline for materiality
1.	Commencement or any postponement in the date of commencement of commercial production or commercial operations of any Unit / Division.	Revenue from such Unit / Division for a full year of production or operations is estimated to be not less than 20% of the revenues of the Company as a whole for the said year.

2.	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 (entirety or piecemeal)	Wherever impact of such change is estimated to be not less than 10% of revenues of the company as a whole for the said year.
3.	Capacity addition or product launch.	Where revenue generated from such capacity addition or product launch is estimated to be not less than 20% of the revenues of the Company for the said year.
4.	Awarding, bagging / receiving amendment or termination of awarded / bagged orders / contracts not in the normal course of business.	Where impact of such awarding, bagging / receiving or termination is likely to be not less than 10% of the revenues of the Company for the said year.
5.	Agreements [viz. loan agreement(s) (as a borrower) or any other agreements(s) which are binding and not in the normal course of business] and revision(s) or amendment(s) or termination(s) thereof.	If such agreement, amendment or termination relates to borrowing exceeding Rs. 100 crore at one time from one party.
6.	Disruption of operations of any one or more units or division due to natural calamity (earthquake, flood, fire, etc.) force majeure or event such as strikes, lockouts, etc.	Impact of such natural calamity is estimated to be not less than 10% of the revenues of the Company as a whole for the said year.
7.	Effect(s) arising out of change in regulatory framework applicable to the Company.	If the impact of such change in regulatory framework is estimated to be not less than 10% of the revenues of the Company as a whole for the said year.
8.	Litigation(s) / dispute(s) / regulatory action(s) with impact	If impact of such litigation / dispute / regulatory action exceeds Rs. 25 crore in any one litigation.
9.	Fraud / defaults etc. by Directors (other than key managerial personnel) or employees of the Company.	Such frauds / defaults as may have financial implications exceeding Rs. One Crore.
10.	Options to purchase securities including any ESOP /ESPS Scheme.	All such options to be informed.
11.	Giving of guarantees or indemnity or becoming a surety for any third party.	If such guarantee or indemnity or becoming a surety for any other third party exceeds 10% of turnover of the Company.

12.	Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.	If such event results into increase or decrease of revenue by not less than 10% of the total estimated gross revenue of the Company as a whole for the said financial year and if the same could not be translated into revenue, then as decided by the Whole-time Director.
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**4. AUTHORISATION FOR DISCLOSURES :**

- a) The Key Managerial Personnel, that is, the Managing Director, Chief Financial Officer and the Company Secretary of the Company are jointly and severally authorized for the purpose of determining materiality of events of information and for the purpose of making disclosures to Stock Exchange and on the website of the Company, under the Regulations.
- b) All such disclosures shall be signed by the Company Secretary or any other Key Managerial Personnel of the Company.

**5. INTERPRETATION**

In the event of any conflict between the provisions of this Policy and any existing or newly enacted law, rule, regulation or standard governing the Company, then such law, rule, regulation or standard shall prevail over this policy until this policy is changed to conform to the law, rule, regulation or standard.

**6. AMENDMENT / MODIFICATION**

The Board of Directors may amend / modify any part of this policy or the entire policy at any time as may be deemed necessary and the decision of the Board in this regard shall be final and binding. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

**7. DISSEMINATION OF POLICY**

The aforesaid policy shall also be posted on the website of the Company.

The aforesaid policy has been approved at the meeting of the Board of Directors of the Company held on 4<sup>th</sup> November 2015.

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