

## **Policy on Determination of Materiality for Disclosure(s)**

### BACKGROUND

This Archival Policy ('Policy') has been adopted by Pasari Spinning Mills Limited ("the Company") Board of Directors ('Board'), to prescribe the time period for content uploaded on the website of the Company i.e., [www.pasariexports.com](http://www.pasariexports.com).

#### 1. OBJECTIVE:

The Policy is framed in accordance with the requirements of the Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations) to maintain and preserve timely and accurate records uploaded on the website of the Company. Records are to be retained for the period of their immediate use, unless longer retention is required for historical reference, contractual, legal or regulatory requirements or for other purposes as may be set forth below.

#### 2. EFFECTIVE DATE:

This Policy is effective December 1, 2015.

#### 3. POLICY ON ARCHIVAL:

All financial/regulatory information uploaded on the website shall be kept available for a period of 5 (five) years from the date of upload and thereafter shall be archived on the website for further period of 5 (five) years. Thereafter, the content shall be removed from the website of the Company.

#### 4. DEFINITIONS

In this Policy, unless the context requires otherwise:— a. "Board of Directors" shall mean the Board of Directors of Pasari Spinning Mills Limited.

b. "Chief Financial Officer" or "whole time finance director" or "head of finance", by whatever name called, shall mean the person heading and discharging the finance function of the Company as disclosed by it to the recognised stock exchange(s) in its filing under the Listing regulations;

c. "Key Managerial Personnel" means Managing Director, Chief Financial Officer and Company Secretary of Pasari Spinning Mills Limited.

d. "Officer" includes any Director, Manager or Key Managerial Personnel or any person in accordance with whose directions or instructions the Board of Directors or any one or more of the Directors is or are accustomed to act and includes Promoter of the Company.

e. "Promoter" and "Promoter Group" shall have the same meaning as assigned to them respectively in clauses (za) and (zb) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

f. "Subsidiary" means a subsidiary as defined under sub-section(87) of section 2 of the Companies Act, 2013;

All other words and expressions used but not defined in this Policy, but defined in the SEBI Act, 1992, Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and/or the rules and regulations made thereunder shall have the same meaning as respectively assigned to them in such Acts or rules or regulations or any statutory modification or re-enactment thereto, as the case may be.

#### 5. DISCLOSURE:

This Policy shall be uploaded on the Company's website for public information.

#### 6. REVIEW OF THE ARCHIVAL POLICY:

The Board of Directors will review this Policy and make revisions as may be required.

#### 7. TYPE OF INFORMATION

The information covered by this Policy shall include "information related to the Company's business, operations, or performance which has a significant effect on securities investment decisions" (hereinafter referred to as "material information") that the Company is required to disclose in a timely and appropriate manner by applying the guidelines for assessing materiality. Events or information that is to be disclosed based on materiality principle are specified in Annexure 1 to this Policy.

### **POLICY**

A) Applicability This Policy applies only to events specified in Para B of Part A of Schedule III of the Listing Regulations.

#### B) Authorized Persons

The Chief Financial Officer in consultation with the Managing Director, authorised to determine the materiality of an event or information and to make appropriate disclosure on a timely basis. The Authorised Person is empowered to seek appropriate counsel or guidance, as and when necessary, from other internal or external stakeholders as he/she may deem fit.

However, event/information which are classified as material should be disclosed as soon as reasonably possible and not later than twenty four hours from the occurrence of the event or information. The event/information may pertain to the Company and/or its Material Subsidiaries.

The Authorized Person(s) shall have the following powers and responsibilities for determining the material events or information:

a. To review and assess an event or information that may qualify as 'material' and may require disclosure, on the basis of facts and circumstances prevailing at a given point in time.

b. To determine the appropriate time at which the disclosures are to be made to the stock exchanges based on an assessment of actual time of occurrence of an event or information.

c. To disclose developments that are material in nature on a regular basis, till such time the event or information is resolved/closed, with relevant explanations.

d. To consider such other events or information that may require disclosure to be made to the stock exchanges which are not explicitly defined in the Listing Regulations and determine the materiality, appropriate time and contents of disclosure for such matters.

e. To disclose all events or information with respect to the subsidiaries which are material for the Company.

### C). Guidelines for Assessing Materiality

Materiality will be determined on a case to case basis depending on the facts and the circumstances pertaining to the event or information. The following criteria will be applicable for determination of materiality of event or information:-

a) The omission of an event or information which is likely to :

- ♣ result in a discontinuity or alteration of an event or information already available publicly; or
- ♣ result in significant market reaction if the said omission came to light at a later date;

b) In the opinion of the Board of Directors of the Company, the event / information ought to be disclosed.

### Contact Details

Questions or clarifications about the Policy or disclosures made by the Company should be referred to the Company Secretary, who is in charge of administering, enforcing and updating this policy.

#### **Tarun Kumar Gupta**

Chief Financial Officer

Pasari Spinning Mills Limited

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## **Annexure 1**

### **Events or Information that are to be disclosed based on Materiality Guidelines listed in the Policy**

1. Commencement or any postponement in the date of commencement of commercial production or commercial operations of any unit/division.
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).
3. Significant capacity addition or product launch.
4. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts not in the normal course of business.
5. Agreements (viz. loan agreement(s) (as a borrower) 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.
6. Disruption of operations of any one or more units or division of the Company due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.
7. Significant impact on financial, operational, strategic or reputation arising out of change in the regulatory framework .
8. Significant Litigation(s) / dispute(s) / regulatory action(s) with that impacts the financial, operational, strategic or reputation of the Company.
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of the Company.
10. Options to purchase securities including any ESOP/ESPS Scheme.
11. Giving significant guarantees or indemnity or becoming a surety for any third party.
12. Granting, withdrawal, surrender, cancellation or suspension of key/material licenses or material regulatory approvals.
13. 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 holders of securities of the Company to appraise its position and to avoid the establishment of a false market in such securities.