

S. P. APPARELS LIMITED

**POLICY FOR DETERMINATION OF MATERIALITY OF INFORMATION OR
EVENTS**

Amended dated 10.02.2025

POLICY FOR DETERMINATION OF MATERIALITY OF INFORMATION OR EVENTS

1. LEGAL FRAMEWORK

This Policy for Determination of Materiality of Events or Information is aimed at providing guidelines to the management of S. P. APPARELS LIMITED (the “Company”), to determine the materiality of events or information, which could affect investment decisions and ensure timely and adequate dissemination of information to the Stock Exchange(s) (as hereinafter defined). This Policy has been formulated in accordance with the current guidelines laid down by the Securities Exchange Board of India (SEBI) under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “SEBI Listing Regulations”), with respect to disclosure of events and information. Pursuant to the SEBI Listing Regulations, the Board of Directors at their meeting held on 14.11.2016 have approved the amended “Policy for Determination of Materiality of Events or Information”. The Board of Directors shall review, and if found required, may amend this Policy from time to time.

2. OBJECTIVE

The objective of this Policy is to serve as a guiding charter to the management of the Company to ensure that timely and adequate disclosure of events or information are made to the Stock Exchanges and the investor community by the Company under the SEBI Listing Regulations to enable them to take well informed investment decisions with regard to the securities of the Company.

3. INTRODUCTION

- (a) “Act” means the Companies Act, 2013, as amended (and the Rules) and the Companies Act, 1956 to the extent applicable.
- (b) “Board of Directors” means the Board of Directors of the Company.
- (c) “Company” means S. P. APPARELS LIMITED.
- (d) “Key Managerial Personnel” means key managerial personnel as defined under sub-section (51) of Section 2 of the Companies Act, 2013.
- (e) “SEBI Listing Regulations” means the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (f) “Policy” means this policy, as amended from time to time.
- (g) “SEBI” means the Securities and Exchange Board of India.
- (h) “Rules” means the rules made under the Companies Act, 2013, as amended.
- (i) “Stock Exchange(s)” means BSE Limited and the National Stock Exchange of India Limited where the equity shares of the Company are listed.

Any other term not defined herein shall have the same meaning as defined in the Act, the listing agreement with the Stock Exchanges, SEBI Listing Regulations or any other applicable law or

regulation to the extent applicable to the Company. The terms of this Policy are subject to the provisions of the Companies Act, 2013 and the SEBI Listing Regulations and in the event of any inconsistency, the provisions of the Companies Act, 2013 and the SEBI Listing Regulations shall prevail.

4. EVENTS WHICH ARE DEEMED TO BE MATERIAL EVENTS

The Company shall disclose all such events pertaining to itself or its material subsidiary(ies) which are specified in Para A of Part A of Schedule III of the SEBI Listing Regulations (as applicable from time to time) without any application of the guidelines for materiality as specified in sub-regulation (2) of Regulation 30 of the SEBI Listing Regulations.

5. EVENTS WHICH ARE DEPENDENT ON APPLICATION OF GUIDELINES FOR MATERIALITY

The Company shall disclose all such events pertaining to itself or its material subsidiary(ies), specified in Para B of Part A of Schedule III of the SEBI Listing Regulations subject to application of guidelines for materiality.

6. GUIDELINES FOR DETERMINING MATERIALITY OF EVENTS OR INFORMATION:

(i) Quantitative criteria would be calculated based on audited financial statements of the last audited financial year, and would mean event/ information where the value involved or the impact:

(a) exceeds ten per cent of the consolidated gross turnover, or

(b) exceeds ten per cent of the consolidated net worth;

whichever is lower.

(ii) Qualitative criteria would mean:

(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) any other event/information may be treated as being material if in the opinion of the Board of Directors, the event / information is considered material; or

(d) the event or information is in any manner unpublished price sensitive information.

(iii) Events specified in Paragraphs 4 and 5 of this Policy are deemed to be Material Events and the Company shall make disclosure of such events or information to the Stock Exchanges and upload on the website of the Company, as soon as reasonably possible and

Timeline for disclosing events which are material in terms of the Provision of Regulation 30 of SEBI (LODR).

Regulation 30(6) of the LODR Regulations specifies that the listed entity shall first disclose to the stock exchange(s) all events or information which are material in terms of the provisions of the LODR Regulations as soon as reasonably possible and in any case not later than the following:

- 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; however, in case the meeting of the board of directors closes after normal trading hours of that day but more than three hours before the beginning of the normal trading hours of the next trading day, the listed entity shall disclose the decision pertaining to the event or information, within three hours from the closure of the board meeting;
- Twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the listed entity;
- 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.

Provided that in case the disclosure is made after Specified time the Company shall, along with such disclosure(s), provide an explanation for delay.

Explanation: Normal trading hours shall mean time period for which the recognized stock exchanges are open for trading for all investors.

7. ANY OTHER INFORMATION / EVENT WHICH IS TO BE DISCLOSED BY THE COMPANY The Company shall disclose major developments that are likely to affect business, e.g. emergence of new technologies, 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.

8. GUIDELINES ON OCCURRENCE OF AN EVENT / INFORMATION

The occurrence of material event/information would be either by the Company's own accord or not in the hands of the Company. It can be categorized as under:

- (a) depends upon the stage of discussion, negotiation or approval; and
- (b) in case of natural calamities, disruptions etc., it would depend upon the timing when the company became aware of the event/information.

In respect of the events under 8(a), the events/information can be said to have occurred upon receipt of approval of Board of Directors, e.g. further issue of capital by rights issuance and in certain events/information after receipt of approval of both i.e. Board of Directors and shareholders.

However, considering the price sensitivity involved, for certain events e.g. decision on declaration of dividends etc., disclosure shall be made on receipt of approval of the event by the Board of Directors, pending shareholder's approval.

In respect of the events under 8(b), the events/information can be said to have occurred when the Company becomes aware of the events/information, or as soon as, an officer of the entity has, or ought to have reasonably come into possession of the information in the course of the performance of his duties. The term 'officer' shall have the same meaning as defined under the Act and shall also include Promoter of the Company.

9. AUTHORIZE KEY MANAGERIAL PERSONNEL FOR THE PURPOSE OF DETERMINING MATERIALITY OF AN EVENT OR INFORMATION AND FOR THE PURPOSE OF MAKING DISCLOSURES TO STOCK EXCHANGE

The following Key Managerial Personnel are hereby severally authorized by Board of Directors for the purpose of determining materiality of an event or information and for the purpose of making disclosures to Stock Exchange(s) ("Authorized Person(s)"):

- a. Managing Director
- b. Chief Financial Officer (CFO)
- c. Company Secretary

The materiality of events outlined above is indicative in nature. There may be a likelihood of some unforeseen events emerging due to the prevailing business scenario from time to time. Hence, the relevant Authorized Person should exercise his/her own judgment while assessing the materiality of events associated with the Company. In case the relevant Authorized Person perceives any doubt regarding materiality he/she may consult Chairman or any other Director before disclosing the information to the Stock Exchange(s). Contact details of above key managerial personnel shall be also disclosed to the Stock Exchange(s) and as well as on Company's website.

10. AMENDMENTS

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new policy. However, no such amendment or modification shall be inconsistent with the applicable provisions of any law for the time being in force.

11. SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the Act or SEBI Listing Regulations or any other statutory enactments or rules, the provisions of SEBI Listing Regulations / Act or statutory enactments, rules shall prevail over this Policy and the part(s) so repugnant shall be deemed to severed from the Policy and the rest of the Policy shall remain in force.

12. DISSEMINATION OF POLICY

This Policy shall be hosted on the website of the Company, i.e., <http://www.spapparels.com>.

Date: 10.02.2025