

POLICY FOR DETERMINATION OF MATERIALITY OF ANY EVENT / INFORMATION

VERSION	DATE	CHANGES AND REASONS FOR CHANGE
1.0	4 th November, 2015	Release date
2.0	31 st July, 2023	SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023.

PREAMBLE

The Board of Directors (the Board) of Simplex Mills Company Limited (the Company) at its meeting held on 4th November, 2015 had adopted version 1.0 of the Company's Policy for determination of materiality of any event/ information (materiality policy) in terms of Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) read with SEBI's Circular number CIR/CFD/CMD/4/2015 dated 9th September 2015.

Further, pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 issued on 14th June, 2023, the Board has adopted revised materiality policy (version 2.0) in its meeting held on 31st July, 2023.

PURPOSE

This Policy for determination of materiality of events/information aims at:

- ✓ Ensuring that all investors have equal access to important information that may affect their investment decisions;
- ✓ Ensuring that the information provided is fair, true and transparent and don't contain any misrepresentation;
- ✓ Ensuring that adequate and timely information is provided to investors;
- ✓ To ensure uniformity in the Company's approach to disclosure and reduce the risk of selective disclosure;
- ✓ Avoiding establishment of false market in the securities of the Company; and
- ✓ Communicating the principles of materiality based on which the Company shall make disclosures of events or information.

MEANINGS OF TERMS USED

"**Board of Directors**" or "**the Board**" means the Board of Directors of Simplex Mills Company Limited, as constituted from time to time.

"**Company**" means Simplex Mills Company Limited.

"Listing Regulations" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

"Material Information/Events" means events as specified in Schedule III to the Listing Regulations and upon the occurrence of which a listed entity shall make disclosures to stock exchange(s) and host such disclosures on the listed entity's website.

"Policy" means this Policy for Determination of Material Events.

"Authorized Officer" means one or more Key Managerial Personnel as authorized by the Board of Directors of the Company for the purpose of determining the materiality of an event or information and for the purpose of making disclosures to the stock exchange(s).

The other capitalized words, terms and expressions that have not been defined herein above and used in this Policy shall have the meaning ascribed to such terms in the Companies Act, 2013, rules made thereunder, Listing Regulations and/ or any other SEBI Regulations, as amended from time to time and to the extent applicable to the Company.

CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION

- In terms of the Regulation 30 of the Listing Regulations, the Company is required to make disclosures of any events or information which, in the opinion of the Board of the Company, is material. Materiality must be determined on a case to case basis depending on specific facts and circumstances relating to the information/event.

1. The events specified in Para A of Part A of Schedule III are deemed to be material events and the Company is mandatorily required to make disclosure of such events.

The events specified in **Para A of Part A of Schedule III** of the Listing Regulations (as amended from time to time) shall be disclosed by the Company as applicable from time-to-time and in a manner as set out in the Listing Regulations and this Policy.

2. For disclosing the events specified in **Para B of Part A of Schedule III**, the Company shall consider the following criteria for determination of materiality of an event/information:
 - a) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly;
 - 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, 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 Company;

- (ii) Two percent of net worth, except in case of the arithmetic value of the networth is negative, as per the last audited consolidated financial statements of the Company;
 - (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 (i) to (iii) above are not applicable, an event/information may be treated as being material if in the opinion of the Board of the Directors of the Company the event/information is considered material.
3. As specified in Para C of Part A of Schedule III of the Regulations, the Company shall promptly disclose 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 financial statements of the Company 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.

AUTHORITY:

The Board of Directors of the Company shall authorize one or more Key Managerial Personnel for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange(s) under this regulation and the contact details of such personnel shall be also disclosed to the stock exchange(s) and as well as on the listed entity's website

DISCLOSURE OF EVENTS/ INFORMATION TO THE STOCK EXCHANGE:

1. The Company shall first disclose to the stock exchange(s) all events or information which are material in terms of the provisions of this regulation 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:

Provided that disclosure with respect to events for which timelines have been specified in Part A of Schedule III shall be made within such timelines

Provided further that in case the disclosure is made for the occurrence of such event/information, after the timeline specified under listing regulation, the Company shall, along with such disclosure(s) provide an explanation for the delay.

2. The Company shall, with respect to disclosures referred to in this regulation, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.
3. The Company shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information:
4. In case where an event occurs or an information is available with the Company, which has not been indicated in Para A or B of Part A of Schedule III, but which may have material effect on it, the Company is required to make adequate disclosures in regard thereof.
5. In case an event or information is required to be disclosed by the Company in terms of the provisions of this regulation, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the Company shall disclose such communication, along with the event or information, unless disclosure of such communication is prohibited by such authority.

AMENDMENTS TO THE POLICY

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.

Any amendment of any provision of this policy must be approved in writing by the Company's Board and promptly disclosed on the Company's website within two working days of such amendment.

SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the Listing Regulations; Companies Act, 2013; or any other statutory enactments, rules, the provisions of such Listing Regulations/Companies Act, 2013 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.

EFFECTIVE DATE

The amended Policy, shall be effective from 31st July, 2023