

H.P. COTTON TEXTILE MILLS LIMITED

Policy for Determination of Materiality for Disclosure of Event / Information to Stock Exchange

Approved by Board : 12.02.2018

Amended by Board : 10.08.2022

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1. PREFACE

The Board of Directors of the Company has adopted the following policy and procedures with regard to determination of materiality of events or information which are required to be disclosed to the Stock Exchange(s) in terms of Regulation 30 of the Listing Regulations.

This Policy has been formulated in accordance with Clause (ii) of sub-regulation (4) of Regulation 30 of the Listing Regulations.

2. DEFINITIONS AND INTERPRETATIONS

- i. “Archival Policy” refers to policy for Preservation of Documents and Archival of Documents approved by the Board of Directors of the Company
- ii. “Board” means the Board of Directors of H. P. Cotton Textile Mills Limited
- iii. “CEO” means Chief Executive Officer
- iv. “CFO” means Chief Financial Officer
- v. “the Company” means H.P. Cotton Textile Mills Limited
- vi. “Listing Regulations” refers to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- vii. “SEBI” means Securities and Exchange Board of India

3. PURPOSE OF THE POLICY

The purpose of this Policy is to determine materiality of events and information based on criteria specified under clause (i) of sub-regulation (4) of Regulation 30 of the Listing Regulations and to ensure that the Company shall make disclosure to the Stock Exchange(s) in a timely manner of events/ information specified in Para A of Part A of the Schedule III to the Listing Regulations and for the determination of materiality of events/information as specified in Para B and C of Part A of Schedule III to the Listing Regulations based on the guidelines for determination of materiality as specified in Sub-regulation 4(i)(a) and (b) of Regulation 30 of Listing Regulations.

4. COMPULSORY DISCLOSURE OF EVENTS / INFORMATION

Events / Information as specified in Para A of Part A of the Schedule III to the Listing Regulations would per se be Material Event/Information and such event/ information will be disclosed to the Stock Exchange(s).

5. CRITERIA FOR DETERMINATION OF MATERIALITY OF EVENTS / INFORMATION

Events/ Information as specified in Para B and C of Part A of the Schedule III to the Listing Regulations or any other information/event would be deemed as material based on the application of the following criteria for materiality:

- 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;

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 Board of Directors of the Company, the event/information is considered material.

6. IMPLEMENTATION

In terms of Regulation 30(5) of the Listing Regulations, the Board of Directors had authorized the following approval authority for the purpose of determining materiality of any event/information, classify it as a Material Event/Information, decide the appropriate time at which disclosure is to be filed with the stock exchange(s) and details that may be filed in the best interest of present and potential investors.

1. Mr. Kailash Kumar Agarwal, Chairman & Managing Director; and
2. Mr. Raghavkumar Agarwal, Executive Director, CEO and CFO

The event/information would be deemed as Material Information which in the opinion of Approving Authority is significant to the operations or performance of the Company and also consider the following factors:

- Whether there would be any direct or indirect impact on the reputation of the Company; or
- Whether non-disclosure can lead to creation of false market in the securities of the Company; or
- Whether there would be a significant impact on the operations or performance of the Company; or
- Any other event which in the opinion of the approving authority should be determined as material event which could result in
 - Discontinuity or alteration of event or information already available publicly; or
 - Significant market reaction if the said omission came to light at a later date; or

In case where the criteria specified above are not applicable, an event/information may be treated as being material if in the opinion of the Board of Directors of the Company, the event/information is considered material.

Provided that any confidential information which if disclosed is likely to put at risk the business interest of the Company shall not be disclosed. The Company to that extent shall make qualified disclosure to the stock Exchange(s).

7. PROCEDURE GUIDELINES FOR DETERMINATION OF MATERIALITY OF EVENTS/INFORMATION

In order to ensure that the Company complies with the disclosure obligations under the Listing Regulations, the Board has established an internal system for reporting any event / information which may require disclosure so that the event / information can be properly assessed and decision can be made regarding its disclosure to the Stock Exchange(s).

The procedure to be followed in relation to the disclosure of announcement of material event / information is as follows:

i. Prepare draft announcement to Stock Exchange(s):

The Company Secretary or failing him the Chief Financial Officer, will prepare & finalize the announcement to be disclosed to the Stock Exchange(s) which is factual and expressed in clear manner after the approval of Mr. Kailash Kumar Agarwal, Chairman & Managing Director and Mr. Raghavkumar Agarwal, Executive Director, CEO and CFO of the Company.

ii. Announcement to Stock Exchange(s):

Any one of Mr. Kailash Kumar Agarwal, Chairman & Managing Director and Mr. Shubham Jain, Company Secretary & Compliance Officer shall on behalf of the Company disclose the announcement with the Stock Exchange(s), not later than 24 hours from the occurrence of events/information and in case the disclosure is made after the specified time, the Company shall provide the explanation for delay.

In case the disclosure is based on Board Meeting results viz. events specified in sub-para 4 of Para A of Part A of Schedule III to the Listing Regulations within 30 minutes of the conclusion of the Board Meeting.

iii. Updation on website:

After lodgment of the announcement with the Stock Exchange(s), the Company Secretary or failing him the Chief Financial Officer will arrange to place it on the website of the Company.

All the announcements made under this Policy shall be kept on the Company's website as per the Archival Policy of the Company, subject to a minimum period of 5 years.

8. AMENDMENT

The Policy can be modified at any time by the Board of Directors of the Company, or by the Company Secretary to reflect any changes/amendments/clarifications notified by Ministry of Corporate Affairs or SEBI, subject to ratification of such amendment by the Board, in its next meeting.

This Policy is amended by the Board of Directors at their meeting held on August 10, 2022 and shall be effective from August 10, 2022
