



TCNS CLOTHING CO LIMITED

POLICY FOR DETERMINATION OF MATERIALITY AND DISCLOSURE OF INFORMATION

[Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Effective Date: 2nd February 2018

I. INTRODUCTION

The “Policy on Disclosure of Information under Regulation 30 of Securities and Exchange Board of India (“SEBI”) (Listing Obligations and Disclosure Requirements) Regulations, 2015” (“**Listing Regulations**”) is primarily framed based on Regulation 30 of the Listing Regulations and SEBI circular dated 9 September 2015. The Policy is intended to ensure compliance with the applicable Listing Regulations/Agreement.

II. PURPOSE OF THE POLICY

(a) Regulation 30 of the Listing Regulations mandates that every listed entity shall make disclosures of any events or information which, in the opinion of the board of directors of the TCNS Clothing Co. Limited (“**Company**”), is material. The Listing Regulations divide the events that need to be disclosed broadly in the following two categories:

- (i) events that have to be necessarily disclosed without applying any test of materiality (indicated in Para A of Part A of Schedule III of the Listing Regulations); and
- (ii) events that should be disclosed by the listed entity, if considered material (indicated in Para B of Part A of Schedule III of the Listing Regulations).

(b) Further the listed entity shall consider the following criteria for determination of materiality of events/information:

- (i) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or
- (ii) 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 II (b)(i) and II(b)(ii) 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.

(c) SEBI circular dated 9 September 2015 indicates the following:

- (i) Annexure-I - details that need to be provided while disclosing events provided in Para A and Para B of Schedule III of the Listing Regulations; and
- (ii) Annexure II - guidance on when an event/information can be said to have occurred.

(d) As per the Listing Regulations



TCNS CLOTHING CO LIMITED

- (i) the listed entity shall frame a policy for determination of materiality, based on criteria specified (as above), duly approved by its board of directors;
- (ii) the board of directors shall authorize one or more Key Managerial Personnel (“KMP”) for the purpose of determining materiality of an event or information and for the purpose of making disclosures to stock exchange(s) under this Listing Regulations.

Accordingly this policy has been framed for determination of materiality, to identify and authorise KMP for the purpose of determining materiality and the Disclosures to be made in compliance of Regulation 30 of the Listing Regulations and the SEBI Circular.

III. POLICY

(a) Identification of Authority:

- (i) KMP’s of the Company (as defined in sub-section 51 of section 2 of the Companies Act, 2013), mentioned hereunder, shall be severally entitled and are authorized to:
 - (1) take a view on the materiality of an event or information that qualifies for disclosure under Regulation 30 of the Listing Regulations;
 - (2) decide the appropriate time at which such disclosure is to be filed with Stock Exchanges, and
 - (3) decide the details that may be filed in the best interest of present and potential investors.
- (ii) Presently KMP’ of the Company are:
 - (1) Managing Director & CEO;
 - (2) Company Secretary; and
 - (3) Chief Financial Officer
- (iii) All the Functional Heads of the Company are responsible and are obligated to inform promptly the occurrence of material events (as mandated in the attached Annexure A and B) to all KMP’s simultaneously.

(b) Identification of Materiality and Events

- (i) Events specified in Annexure A shall be deemed to be material and have to be necessarily disclosed without applying any test of materiality.
- (ii) Events specified in Annexure B should be disclosed if considered material.

(c) Criteria to be considered for determination of materiality of events/information:

- (i) the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or



TCNS CLOTHING CO LIMITED

- (ii) 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 (i) and (ii) above are not applicable, an event/information may be treated as being material if the event results into change exceeding 10% (ten per cent) of total revenue of the previous audited accounting year or exceeding 10% (ten per cent) of the net worth, whichever is lower, basis the consolidated accounts of the Company as on the last date of the previous accounting year.

IV. OTHERS

(a) Dissemination of Information

- (i) The policy shall be disclosed on website of the company.
- (ii) The contact details of authorized KMP's shall be also disclosed to the stock exchange(s) and as well as on the Company's website.
- (iii) The company shall disclose on its website all such events or information which has been disclosed to stock exchange(s) under Listing Regulations, and such disclosures shall be hosted on the website of the company for a minimum period of 5 (five) years and thereafter as per the archival policy of the Company, if any.

(b) Timing when to disclose

- (i) Within 30 (thirty) Minutes of the conclusion of board meeting:

Disclosure with respect to events specified in Annexure A para 4 shall be made within 30 (thirty) minutes of the conclusion of the board meeting.

- (ii) Within 24 (twenty four) hours from occurrence of event:

The company shall first disclose to stock exchange(s) all events, as specified in Annexure A (except para 4) & B, or information as soon as reasonably possible but no later than 24 (twenty four) hours from the occurrence of event or information.

Provided that in case the disclosure is made after 24 (twenty four) hours of occurrence of the event or information, the company shall, along with such disclosures provide explanation for delay.

- (iii) Updates on regular basis:

The Company shall, with respect to disclosures referred to in Regulation 30 of the Listing Regulations, make disclosures updating material developments on a regular basis, till such time the event is resolved/closed, with relevant explanations.

V. EVENTS/ INFORMATION WITH RESPECT TO SUBSIDIARIES

The Company shall disclose all events or information with respect to subsidiaries which are material for the company.



TCNS CLOTHING CO LIMITED

VI. QUERIES BY STOCK EXCHANGES

- (a) The Company shall provide specific and adequate reply to all queries raised by stock exchange(s) with respect to any events or information.
- (b) The Company may on its own initiative also, confirm or deny any reported event or information to stock exchange(s).

VII. REVIEW/AMENDMENT

The Board may, at any time, review and amend any or all clauses of this Policy, if considered necessary.



TCNS CLOTHING CO LIMITED

ANNEXURE – A

1. Acquisition(s) (including agreement to acquire), Scheme of Arrangement (amalgamation/ merger/ demerger/restructuring), or sale or disposal of any unit(s), division(s) or subsidiary of the Company or any other restructuring.

Explanation.- For the purpose of this sub-para, the word 'acquisition' shall mean,-

- (i) acquiring control, whether directly or indirectly; or,
 - (ii) acquiring or agreeing to acquire shares or voting rights in, a company, whether directly or indirectly, such that –
 - (a) the Company holds shares or voting rights aggregating to five per cent or more of the shares or voting rights in the said company, or;
 - (b) there has been a change in holding from the last disclosure made under sub-clause (a) of clause (ii) of the Explanation to this sub-para and such change exceeds two per cent of the total shareholding or voting rights in the said company.
2. Issuance or forfeiture of securities, split or consolidation of shares, buyback of securities, any restriction on transferability of securities or alteration in terms or structure of existing securities including forfeiture, reissue of forfeited securities, alteration of calls, redemption of securities etc.
 3. Revision in rating(s).
 4. Outcome of meetings of the Board: The Company shall intimate to the Stock Exchange(s), within 30 minutes of the closure of the meeting, held to consider or decide the following:
 - (i) dividends and/or cash bonuses recommended or declared or the decision to pass any dividend and the date on which dividend shall be paid/dispatched;
 - (ii) any cancellation of dividend with reasons thereof;
 - (iii) the decision on buyback of securities;
 - (iv) the decision with respect to fund raising proposed to be undertaken;
 - (v) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares would be credited/dispatched;
 - (vi) reissue of forfeited shares or securities, or the issue of shares or securities held in reserve for future issue or the creation in any form or manner of new shares or securities or any other rights, privileges or benefits to subscribe to;
 - (vii) short particulars of any other alterations of capital, including calls;
 - (viii) financial results;
 - (ix) decision on voluntary delisting by the Company from Stock Exchange(s).



TCNS CLOTHING CO LIMITED

5. Agreements (viz. shareholder agreement(s), joint venture agreement(s), family settlement agreement(s) (to the extent that it impacts management and control of the listed entity), agreement(s)/treaty(ies)/contract(s) with media companies) which are binding and not in normal course of business, revision(s) or amendment(s) and termination(s) thereof.
6. Fraud/ Defaults by promoter or KMP or by the Company or arrest of KMP or promoter.
7. Change in directors, KMP(s) (Managing Director, Chief Executive Officer, Chief Financial Officer, Company Secretary etc.), auditor and compliance officer.
8. Appointment or discontinuation of share transfer agent.
9. Corporate debt restructuring.
10. One time settlement with a bank.
11. Reference to Board for Industrial and Financial Reconstruction and winding-up petition filed by any party / creditors.
12. Issuance of notices, call letters, resolutions and circulars sent to shareholders, debenture holders or creditors or any class of them or advertised in the media by the Company.
13. Proceedings of annual and extraordinary general meetings of the Company.
14. Amendments to memorandum of association and articles of association of the Company, in brief.
15. Schedule of analyst or institutional investor meet and presentations on financial results made by the Company to analysts or institutional investors.



TCNS CLOTHING CO LIMITED

ANNEXURE – B

1. Change in the general character or nature of business brought about by arrangements for strategic, technical, manufacturing, or marketing tie-up, adoption of new line(s) of business).
2. Awarding, bagging/ receiving, amendment or termination of awarded/bagged orders/contracts, not in the normal course of business.
3. 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.
4. Disruption of operations of due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.
5. Effect(s) arising out of change in the regulatory framework applicable to the Company.
6. Frauds/ defaults by directors (other than KMP(s)) of the Company.
7. Options to purchase securities including any Employees Stock Option Scheme / Employees Share Purchase Scheme.
8. Giving of guarantees or indemnity or becoming a surety for any third party.