UNITED TEXTILES LIMITED

Policy on Determination of Materiality of Event(s)

1. OBJECTIVE

The Policy on Determination of Materiality is framed in accordance with the requirements of theRegulation 30 of Securities and Exchange Board of India (Listing Obligations and DisclosureRequirements) Regulations, 2015 hereinafter referred to as "The Regulations". The objective of the Policyis to determine materiality of events or information of the Company and to ensure that such information isadequately disseminated in pursuance with the Regulations.

The policy shall be effective from 1st day of December, 2015.

2. APPLICABILITY

This Policy shall be applicable on all events in the Company, as and when they come under the criteriaEnumerated in the Policy.

3. AUTHORITY TO KEY MANAGERIAL PERSONNEL

The Whole time Director and any other director of the Company shall severally have the authority to determine Materiality of any event or information and ensure disclosures of the same are made to stock exchange(s), subject to the provisions of this Policy.

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4. KEY PRINCIPLES IN DETERMINING MATERIALITY

The Regulations divide the events that need to be disclosed broadly in two categories:-

Para A of Part A of Schedule III- Events that have to be necessarily disclosed without applying any test of materiality.

Para B of Part A of Schedule III- Events that should be disclosed by the listed entity, if considered material.

Para A of Part A of Schedule III

These are the events that have to be necessarily disclosed without applying any test of materiality;

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, acquiring or agreeing to acquire shares or voting rights in, a company, whether directly orindirectly, such that –

(a) the listed entity holds shares or voting rights aggregating to five percent 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 ofthe 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 of directors: The listed entity shall disclose to the Exchange(s), within 30 minutes of the closure of the meeting, held to consider the following:

(a) dividends and/or cash bonuses recommended or declared or the decision to pass any dividendand the date on which dividend shall be paid/dispatched;
(b) any cancellation of dividend with reasons thereof;
(c) the decision on buyback of securities;
(d) the decision with respect to fund raising proposed to be undertaken
(e) increase in capital by issue of bonus shares through capitalization including the date on which such bonus shares shall be credited/dispatched;
(f) 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;
(g) short particulars of any other alterations of capital, including calls;
(h) financial results;
(i) Decision on voluntary delisting by the listed entity from stock exchange(s).

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 key managerial personnel or by listed entity or arrest of key managerial personnel or promoter.

7. Change in directors, key managerial personnel (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 BIFR 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 listed entity.

13. Proceedings of Annual and extraordinary general meetings of the listed entity.

14. Amendments to memorandum and articles of association of listed entity, in brief

15. Schedule of Analyst or institutional investor meet and presentations on financial results made by the listed entity to analysts or institutional investors;

B. Para B of Part A of Schedule III

The following events shall be considered material subject to the application of the guidelines mentioned in clause (c) below;

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. 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 listed entity due to natural calamity (earthquake, flood, fire etc.), force majeure or events such as strikes, lockouts etc.
7. Effect(s) arising out of change in the regulatory framework applicable to the listed entity.
8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Fraud/defaults etc. by directors (other than key managerial personnel) or employees of listed entity.
10. Options to purchase securities including any ESOP/ESPS Scheme.
11. Giving of guarantees or indemnity or becoming a surety for any third party.
12. Granting, withdrawal, surrender, cancellation or suspension of key licenses or regulatory approvals.

C.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 listed entity which may be necessary to enable the holders of securities of the listed entity to appraise its position and to avoid the establishment of a false market in such securities.

D. Without prejudice to the generality of para (A), (B) and (C) above, the listed entity may makedisclosures of event/information as specified by the Board from time to time.

THE EVENTS AS ENUMERATED IN CLAUSE (B) ABOVE SHALL BE CONSIDERED MATERIAL ONLY ON APPLICATION OF THE FOLLOWING GUIDELINES

1. **the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly; or**
2. **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**
3. **In case where the criteria specified in sub-clauses (1) and (2) are not applicable, an event/information may be treated as being material if in the opinion of the board of directors of Company, the event /information is considered material.**

5. DISCLOSURE

a. The Disclosure of the events enumerated in Clause 4(A)(4) above shall be made within 30 minutes of the conclusion of the Board Meeting at which such events were discussed along with the time of commencement and conclusion of the meeting.
b. The disclosure of any other event(s) shall be made as soon as reasonably possible and not later than twenty four hours from the occurrence of event or information:

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

c. The Compliance Officer of the Company shall be responsible for making above said disclosures to the Stock Exchange(s)

6. AMENDMENTS

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

7. SCOPE AND LIMITATION

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

part(s) sorepugnant shall be deemed to severed from the Policy and the rest of the Policy shall remain in force.

8. DISSEMINATION OF POLICY

This Policy shall be hosted on the website of the Company and address of such web link thereto shall be provided in the Annual Report of the Company.