



BANNARI AMMAN SPINNING MILLS LIMITED

POLICY FOR IDENTIFICATION OF MATERIAL LITIGATION

Bannari Amman Spinning Mills Limited

Policy for Identification of Material Litigation

In terms of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (“SEBI ICDR Regulations”), the Issuer shall disclose all the litigations involving the Company, its Directors, Subsidiaries and Promoters relating to:

- i. All criminal proceedings;
- ii. All actions by statutory / regulatory authorities; and
- iii. Taxation - Separate disclosures regarding claims related to direct and indirect taxes, in a consolidated manner giving details of number of cases and total amount.

Besides the abovementioned litigations, other material pending litigations, as per policy of materiality defined by the Board of Directors of the Company, shall also be disclosed in the Offer Documents.

In this regard, all other pending litigation involving the Company, its Directors, its Subsidiaries and Promoters other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered ‘material’ for the purpose of disclosure in the Offer Documents, where:

- i. where the aggregate monetary claim made by or against the Company, its Promoters, its Subsidiaries and Directors, in any such pending litigation proceeding is in excess of 1 (One) percent of the turnover of the Company in the most recently completed Fiscal as per the Restated Standalone Financial Information; or
- ii. where the decision in one litigation is likely to affect the decision in similar litigations, even though the amount involved in such single litigation individually may not exceed the above mentioned threshold, if similar litigations put together collectively exceed 1 (One) percent of the turnover of the Company in the most recently completed Fiscal as per the Restated Standalone Financial Information, or
- iii. litigations whose outcome could have a material impact on the business, operations, prospects or reputation of the Company and the Board or any of its committees shall have the power and authority to determine suitable materiality thresholds for the subsequent financial years on the aforesaid basis or any other basis as may be determined by the Board or any of its committees.

The adequacy of this Policy shall be reviewed and reassessed atleast once in three years and appropriate recommendations shall be made to the Board to update the Policy based on the changes that may be brought about to the regulatory framework, from time to time.

This policy shall come into force from the date of adoption or amendment of this policy from time to time.

In this Policy the term:

1. Company means Bannari Amman Spinning Mills Limited.
2. Offer Documents means Draft Letter of Offer and Letter of Offer.

Note: The above policy was adopted at the Board Meeting held on 25.1.2021, reviewed and amended at the Board Meeting dt 30.5.2023

