

**POLICY FOR DETERMINATION OF MATERIALITY OF EVENTS**

[Framed under Regulation 30 (4) (ii) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015]

**1. PREFACE**

The Board of Directors of The Lakshmi Mills Company Limited (the “Company”) has formulated this Policy to determine materiality based on the criteria specified herein and to authorize one or more Key Managerial Personnel for determining materiality of an event or information and to make disclosures as per the Regulations 30(4)(ii) and 30(5) of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, with effect from 1st December 2015.

**2. DEFINITIONS**

In this Policy, unless the context otherwise requires:-

“**Company**” means “The Lakshmi Mills Company Limited”.

“**Regulations**” means Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Words and expressions used in this code but not defined shall have the meaning as given in the Regulations.

Any subsequent modification and / or amendments brought about by SEBI in the Regulations shall automatically apply to this Policy.

**3. CRITERIA FOR DETERMINING MATERIALITY OF EVENTS / 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; 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;
- c. 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.

**4. DISCLOSURE OF EVENTS / INFORMATION**

- a. Events or information which may have a material effect on the company and / or as specified by the Board of Directors of the Company from time to time and/ or such other events or information prescribed by the SEBI or any other authority for disclosure, from time to time shall be disclosed by the company.

## **The Lakshmi Mills Company Limited**

**CIN: L17111TZ1910PLC000093**

- b. The Events as specified in Para A of Part A of Schedule III of the Regulations mentioned in **Annexure I** to this Policy shall be disclosed without any application of the guidelines for determining materiality as mentioned in clause 3 of this policy.
- c. The events as specified in Para B of Part A of Schedule III of the Regulations mentioned in **Annexure II** to this Policy shall be disclosed upon application of the guidelines for determining materiality as mentioned in clause 3 of this policy.
- d. Any other events or information as per Para C of Part A of Schedule III of the Regulations 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 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, shall be disclosed by the company.
- e. As per Para D of Part A of Schedule III of the Regulations, without prejudice to the generality of Clauses 4(b), 4(c) and 4(d) of this policy, the Company may make disclosures of events / information as specified by the Board from time to time.

### **5. TIME LIMIT FOR DISCLOSURE**

The Company shall first disclose to the Stock Exchange(s) of all events / information specified in Clause 4(b) of this Policy, as soon as reasonably possible but not later than twenty four (24) hours from the occurrence of the event or information and / or on becoming aware of it. However the outcome of Meetings of the Board of Directors to consider the subjects specified in Serial No. 4 of Annexure – I to this policy to be disclosed to the Stock Exchange(s) within 30 minutes of the closure of the Meeting.

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

The events / information specified in clause 4(c) and 4(d) of this policy shall be disclosed to the Stock Exchange(s) as soon as reasonably possible.

### **6. WEBSITE**

All the above disclosures which have been disclosed to stock exchange(s) under the Regulations shall be hosted on the website of the Company for a period of five years and thereafter as per the Company's Policy on Preservation and Archival of Documents.

## **The Lakshmi Mills Company Limited**

**CIN: L17111TZ1910PLC000093**

### **7. AUTHORITY TO KEY MANAGERIAL PERSONNEL**

The Board of Directors of the Company authorize Sri N. Singaravel, Company Secretary and Compliance Officer of the Company for the purpose of determining materiality of an event or information in accordance with the principles enunciated in Chapter II, Regulation 4(1) of the said Regulations, in consultation with Sri S. Pathy, Chairman and Managing Director of the Company, and for the purpose of making disclosures to the Stock Exchange. The contact details shall also be disclosed to the stock exchange(s) and the Company's website.

#### **Contact Details:**

N. SINGARAVEL

COMPANY SECRETARY & COMPLIANCE OFFICER

THE LAKSHMI MILLS COMPANY LIMITED

686, AVANASHI ROAD

PAPPANAICKENPALAYAM

COIMBATORE 641 037

Ph.: 0422 – 4333914 / 98946 29202

Email: [csns@lakshmill.com](mailto:csns@lakshmill.com)

### **8. AMENDMENT**

The Board of Directors of the Company reserves the right to amend or modify this policy in whole or in part, as may be required, at any point of time.

### **9. POLICY REVIEW & DISCLOSURE**

In case of any changes in the Regulations which make any of the provisions in the policy inconsistent, the provisions of the Regulations would prevail over the policy and the policy would be modified in due course to make it consistent with the Regulations.

**This Policy has been adopted and approved by the Board of Directors of the Company at their meeting held on 4<sup>th</sup> February 2016.**

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**Events which shall be disclosed without any application of the guidelines for determining 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 listed entity 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 listed entity 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 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 dividend and 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;

## **The Lakshmi Mills Company Limited**

**CIN: L17111TZ1910PLC000093**

- 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.

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**Events which shall be disclosed upon application of the guidelines for determining materiality:**

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 Company 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 Company.
8. Litigation(s) / dispute(s) / regulatory action(s) with impact.
9. Fraud/defaults etc. by Directors (other than Key Managerial Personnel) or employees of the Company.
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.

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