

The Lakshmi Mills Company Limited
CIN: L17111TZ1910PLC000093

POLICY FOR DISCLOSURE OF MATERIALITY OF EVENTS / INFORMATION (Amended)

1. PREFACE

The Board of Directors of The Lakshmi Mills Company Limited (the “Company”) has formulated this Policy to determine materiality of the information 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. This policy aims to ensure timely and adequate disclosure of all material and price sensitive information to the Stock Exchange.

2. DEFINITIONS

All the words and expressions used in this Policy shall have the same meaning respectively assigned to them under the SEBI’s LODR, Notifications and Circulars issued thereunder, for the time being in force.

Words and expressions used herein and not defined in LODR shall have the meanings respectively assigned to them under the Companies Act, 2013 and the Rules made thereunder.

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

The Company shall consider the following criteria for determination of materiality of events / information as per the requirements of Para B of Part A of Schedule III, read with Regulation 30(4) of SEBI (LODR):

- 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. the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:
 - i. two percent of turnover, as per the last audited consolidated financial statements of the Company;
 - ii. two percent of net worth, as per the last audited consolidated financial statements of the Company, except in case the arithmetic value of the net worth is negative;

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- iii. five percent of the average of absolute value of profit or loss after tax, as per the last three audited consolidated financial statements of the Company;
- d. In case where the criteria specified in sub-clauses (a), (b) and (c) above, is 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

The Company shall make disclosures of any events or information which in the opinion of the Board of Directors is material or required under the Listing Regulations to the Stock Exchange.

The Listing Regulations have divided the events that need to be disclosed as follows:

Category A: Events which shall be necessarily disclosed without applying any test of materiality.

The events specified under Para A of Part A of Schedule III of the Listing Regulation.

Category B: Events which shall be disclosed upon application of the test of materiality as stated in the above clause 3.

The events specified under Para B of Part A of Schedule III of the Listing Regulation.

Category C: Any other information or event viz. major development that is likely to affect the 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 securities holders of the Company to appraise its position and to avoid establishment of a false market in such securities.

Category D: Without prejudice to the generality of Category A, B and C above, any other event or information as may be specified by the SEBI from time to time.

5. TIME LIMIT FOR DISCLOSURE

The Company shall first disclose to the Stock Exchange(s) of all events / information which are material in terms of the provisions of LODR as soon as reasonably possible and in any case not later than the following:

- i) thirty minutes from the closure of the meeting of the Board of Directors in which the decision pertaining to the event or information has been taken;
- ii) twelve hours from the occurrence of the event or information, in case the event or information is emanating from within the Company;

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- iii) twenty four hours from the occurrence of the event or information, in case the event or information is not emanating from within the Company

As per the amendment to the provisions of Para A (1) of Part A of Schedule III of the SEBI (LODR) Regulations, 2015, on 12.12.2024 Events or Information shall be disclosed on a quarterly basis in the format specified as part of the Integrated Filing (Governance) including:

- a. Acquisition of shares or voting rights of listed entities in an unlisted company, aggregating to 5% or any subsequent change in holding exceeding 2% in terms of the Provisions of Para A (1) of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**
- b. Disclosure of fine or penalty of Rs. One Lakh or more imposed by the sectoral regulator or enforcement agency or Rs. Ten Lakh or more imposed by other authority or judicial body shall be disclosed within 24 hours.**

Disclosure of fine or penalty which are lower than the monetary thresholds specified under Para A (20) of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, shall be disclosed on a quarterly basis in the specified format.

- c. Updates on ongoing tax litigations or disputes in terms of provisions of Para B (8) of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with corresponding provisions of Annexure 18 of the Master Circular.**

A new proviso has been inserted into the above Regulation, which states that, in case the Board Meeting closes after normal trading hours but more than three hours before the beginning of normal trading hours of the next trading day, the listed entity must disclose the decision within 3 hours from the closure of the Board Meeting.

Further, in case the board meeting lasts for more than one day and financial results are discussed, the Company must disclose the financial results either within 30 minutes or three hours, depending on the situation, from the closure of the meeting for that particular day when the results were considered.

In case a listed entity receives any notice about a claim against it (except for tax-related disputes), and if the details of these claims are maintained in a structured digital database as required by SEBI's Insider Trading Regulations, the listed entity must disclose the claim to the stock exchange within 72 hours of receiving the notice.

Provided that disclosure with respect to events for which timelines have been specified in Part A of Schedule III of the Listing Regulation shall be made within such timelines.

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If the Company is not in a position to inform the stock exchange within the above mentioned time limit, then it shall inform the stock exchange as soon as it is possible with an explanation as to reason for delay in disclosing the said information.

6. 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. Any amendments to the Listing Regulations shall mutatis mutandis be deemed to have been incorporated in this Policy. The material changes to the Policy will need the approval of the Board of Directors.

7. AUTHORITY TO KEY MANAGERIAL PERSONNEL

The Board of Directors of the Company have authorised Sri N. Singaravel, Company Secretary and Compliance Officer of the Company for the purpose of determining materiality of an event or information and shall review the Policy from time to time in consultation with Sri S. Pathy, Chairman and Managing Director of the Company, and to make appropriate disclosures to the Stock Exchange on a timely basis.

Employees who possess or come across any potential material event or information may communicate the same to the Company Secretary to determine whether the said event / information is a material event or not. If the said event / information is determined to be material, the same shall be disclosed to the Stock Exchange.

The employees are required to maintain confidentiality of such event / information which have the potential to become a material event / information and shall refrain from disclosing the same to any other person apart from the Company Secretary.

8. 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.

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The amended Policy for Disclosure of Materiality of Events / Information was placed and approved at the Meeting of the Board of Directors of the Company held on 14.02.2025.