



**LAXMI ORGANIC INDUSTRIES LTD**

---

**POLICY ON DETERMINATION  
OF  
MATERIALITY OF EVENTS**

---

## **1. Background and Objective:**

The Board of Directors the Company have on November 25, 2020 framed this Policy with the objective of determining materiality of events as required by Listing Regulations which require every listed entity to disclose events or information which, in the opinion of the Board of the Company, are material. This Policy aims to assist Relevant Employees and Relevant Persons in identifying potential material event/information and reporting the same to the Disclosure Committee, as authorized by the Board of the Company for determining materiality of an event or information and for the purpose of making disclosures to stock exchange(s) where the securities of the Company are listed ("Stock Exchanges") [collectively referred to as the "Authorised KMP"]

On 14<sup>th</sup> June 2023, SEBI has notified the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023 ("LODR 2023 Amendment") which shall come into force on 14th July 2023. Under the said LODR 2023 Amendment, SEBI has inter alia amended Regulation 30 of the Listing Regulations that deals with disclosure of events or information by a listed entity. Under the LODR 2023 Amendment, Regulation 30(4)(i) that sets out the criteria for determination of materiality of events/information specified in Para B of Part A of Schedule III, has been amended. In view of the aforesaid, this Policy has been amended by the Board of Directors of the Company in accordance with the provisions of LODR 2023 Amendment.

In terms of Regulation 30 of the Listing Regulations, the events requiring disclosure by the Companies, are provided as follows:

- a. Events specified in Para A of Part A of Schedule III of Listing Regulations shall be deemed to be material and the Company is required to make disclosure of the same without application of the materiality criteria as specified in this Policy.
- b. Events specified in Para B of Part A of Schedule III of the Regulations shall be disclosed by the Company based on application of the guidelines for materiality as per this Policy.
- c. This Policy is also applicable to the events/information which are not covered in the above Para A or Para B of Part A of Schedule III but may have a material effect on the Company in the opinion of the Disclosure Committee.
- d. In case an event or information is required to be disclosed by the Company in terms of the provisions of this regulation, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the Company shall disclose such communication, along with the event or information, unless disclosure of such communication is prohibited by such authority.

## **2. Definitions:**

- I. "Company" or "the Company" or "Laxmi" shall mean Laxmi Organic Industries Limited.
- II. "The Board" shall mean the Board of Directors of Laxmi Organic Industries Limited.
- III. "Listing Regulations" shall mean Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations')
- IV. "Policy" or "this Policy" shall mean the Policy on Determination of Materiality of Events.
- V. "Disclosure Committee" shall mean a committee consisting of Managing Director, Chief Executive Officer, Chief Financial Officer and Company Secretary.

- VI. "Relevant Employees" shall include, (a) Key Managerial Personnel (as defined under the Companies Act, 2013) of the Company; (b) Senior management personnel i.e., the officers and personnel of the Company who are members of its core management team (excluding the Board), and shall also comprise of all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including chief executive officer/manager, in case they are not part of the Board) and shall specifically include company secretary and chief financial officer of the Company; (c) Such other persons as may be determined as Relevant Employee by the Authorized KMP or the Board of Directors.
- VII. "Relevant Persons" shall include: (a) Promoters [as defined under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018] of the Company; and (b) Directors of the Company forming part of the Board.

### **3. Criteria for Determining Materiality of Events or Information:**

The Company shall apply the following criteria for determination of materiality of events / information based on the following guidelines:

- a. the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available publicly;
- 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) 2% of turnover, as per the last audited consolidated financial statements of the Company;
  - (ii) 2% 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;
  - (iii) 5% 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. any other event/information which although not falling under above points a, b, and c shall be treated as being material if the same in the opinion of the Disclosure Committee in opinion, the event/information is considered material.

### **4. Timeline for Disclosure of Material Events / Information:**

- a. The Company shall first disclose to the Stock Exchanges all events/ information which are material in terms of the provisions of this Policy and Regulation 30 of the Listing Regulations, as soon as reasonably possible and in any case not later than:
  - i. 30 (thirty) minutes from closure of the Board meeting in which the decision pertaining to the event/ information has been taken;
  - ii. 12 (twelve) hours from occurrence of event/ information, where the event/ information is emanating from within the Company;

- iii. 24 (twenty-four) hours from occurrence of event/ information, where the event/ information is not emanating from within the Company.
- b. Disclosures with respect to events for which timelines have been specified in the Listing Regulations shall be made within such timelines.
- c. In case disclosure is made after timelines specified under Regulation 30 of the Listing Regulations, the Company shall, along with such disclosure provide the explanation for the delay.
- d. In case of events which are not covered under the Listing Regulations, the Directors, Key Management Personnel and Senior Management Executives shall be responsible for bringing to the attention of Disclosure Committee about any material event or information potentially of a price sensitive nature within their knowledge, immediately upon becoming aware of such event / information.
- e. On receipt of communication of such event or information the Disclosure Committee shall be responsible and authorized for reviewing the accuracy of the event / information and evaluating / ascertaining the materiality of events considering its nature and disclosure after taking into consideration various provisions of the Regulations and this Policy. Where the Company is not certain about materiality of events / information, it may refer the matter to the external legal advice.
- f. The Company shall disclose all events/ information with respect to its subsidiaries which are material for the Company, as per criteria specified below:
  - i. **Subsidiaries listed on the stock exchanges:**  
The Company shall disclose all material event/ information disclosed by Listed Subsidiary to the stock exchanges as per the Listing Regulations and to the Company, if such event/ information is material to the Company as per this Policy.
  - ii. **Subsidiaries not listed on the stock exchanges:**  
The Company shall disclose all events/ information with respect to Unlisted Subsidiary, which are material for the Company as per this Policy
- g. In case the event / information is other than the outcome of the Board Meeting, the Board of Directors shall be immediately informed of such disclosure.
- h. The Company shall adhere to the statutory timelines prescribed by the Listing Regulations for disclosure of such information.
- i. All disclosures shall also be made available on the website of the Company in terms of preservation of documents and archival policy of the Company in accordance with Regulation 30(8) of the Listing Regulations.

## 5. Amendments

The Board may, subject to the applicable laws amend any provision(s) or substitute any of the provision(s) of this Policy with new provision(s) or replace this Policy in entirety.

## 6. Effective Date:

The Policy as approved by the Board shall be effective from July 28, 2023.

**7. Disclosure Requirement:**

This Policy shall be disclosed on the Company's website and a web link thereto shall be given in the Annual Report. In the event of any conflict between the terms of this Policy and the Listing Regulations, the provisions of the Listing Regulations shall prevail.

\*\*\*\*\*