

LAKSHMI ELECTRICAL CONTROL SYSTEMS LIMITED
CIN: L31200TZ1981PLC001124

POLICY FOR DISCLOSURE OF MATERIAL EVENTS / INFORMATION

1. INTRODUCTION:

Timely dissemination price sensitive information / events and ensuring uniform availability of information across the shareholders is an essential requirement for avoiding the establishment of a false market and unhealthy upheavals in the quoted price of the securities of a company. Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Regulations) lays down the guidelines for the listed companies in handling of price sensitive information.

This Regulation also requires that every Listed Company should have a policy for determining the materiality of the information to be published and designate one or more Key Managerial Personnel of the Company to determine the materiality of the information and provide his contact details to the stock exchanges.

2. SCOPE AND OBJECTIVE OF THE POLICY

In compliance of the said Regulation this **Policy for Disclosure of Material Events and Information** is framed for adoption. The policy provides for the systematic identification, categorization, review, disclosure and updating the information / events, other than those listed in the Regulations, which may have a bearing on the performance of the Company and consequently may impact the share prices of the Company too.

3. DEFINITIONS:

All the words and expressions used in this Policy, unless defined hereinafter, shall have meaning respectively assigned to them under the SEBI's LODR, 2015 and in the absence of its definition or explanation therein, as per the Companies Act, 2013 and the Rules, Notifications and Circulars made/issued thereunder, as amended from time to time.

4. TEST OF MATERIALITY:

The guidelines to be used by the Company to determine whether an event is material or not as per the requirements of Para B of Part A of Schedule III, read with Regulation 30(4), of LODR is as follows:

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 the event / information is likely to result in significant market reaction if the said omission came to light at a later date; or

c) the omission of an event or information, whose value or the expected impact in terms of value, exceeds the lower of the following:

- (1) two percent of turnover, as per the last audited consolidated financial statements of the listed entity;
- (2) two percent of net worth, as per the last audited consolidated financial statements of the listed entity, except in case the arithmetic value of the net worth is negative;
- (3) 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 listed entity;

d) In case where the criteria specified in sub-clauses (a), (b) and (c) is not applicable, an event or information may be treated as being material if in the opinion of the board of directors of the listed entity, the event or information is considered material.

5. DECIDING AUTHORITY:

Managing / Wholetime Director or the Chief Financial Officer of the Company is the designated KMP of the Company who will decide whether a particular event or information or occurrence as material event and advise to the Company Secretary for informing to the stock exchanges.

Employees/stakeholders who possess any potential material event or information may communicate the same to the Managing/Whole time Director or Chief Financial Officer to determine whether the said information/event is a material event or not. If the said event/information is determined to be material, the Managing/Whole time Director or Chief Financial Officer shall inform the Company Secretary to disclose the required information to the Stock Exchange(s) in which the securities of the Company are listed.

6. MATERIAL EVENTS SPECIFIED BY THE REGULATIONS

CATEGORY-A

The events which shall be disclosed without any application of test of materiality for materiality as specified in the Regulation 30 (2):

The events specified under Para A of, Part A of Schedule III of the Regulations need to be disclosed to the stock exchanges, without applying the test of materiality,

The listed entity shall first disclose to the stock exchange(s) all events or information which are material in terms of the provisions of this regulation 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 listed entity;
- (iii) twenty four hours from the occurrence of the event or information, in case the event or information is not emanating from within the listed entity:

The disclosure with respect to events for which timelines (other than above) have been specified in Part A of Schedule III shall be made within such timelines.

If the Company makes the disclosure after the timelines specified above the Company shall, along with such disclosure provide the explanation for the delay in disclosing the said information.

CATEGORY-B

The events which shall be disclosed upon application the test of materiality as specified in the Regulation 30 (4):

The events specified under Para B, of Part A of Schedule III of the Regulations shall be disclosed to the stock exchanges if they are considered to be material up on application of the test of materiality.

The listed entity shall first disclose to the stock exchange(s) all events or information which are material in terms of the provisions of this regulation 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 listed entity;
- (iii) twenty four hours from the occurrence of the event or information, in case the event or information is not emanating from within the listed entity;

The disclosure with respect to events for which timelines (other than above) have been specified in Part A of Schedule III shall be made within such timelines.

If the Company makes the disclosure after the timelines specified above the Company shall, along with such disclosure provide the explanation for the delay in disclosing the said information.

CATEGORY-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.

7. MATERIAL EVENTS AS MAY DECIDED BY THE COMPANY

Without prejudice to the generality of para (A), (B) and (C) of Clause 6 above, the Company may disclose any event / information which in the opinion of the Board of Directors or the deciding authority is considered material and such information shall be disclosed to the Stock Exchanges as soon as it is possible.

Under this category, an event or information is considered to be material only if it satisfies the test of materiality provided under Regulation 30 (4) and occurrence which has a financial impact on the Company.

8. PERIODIC UPDATES:

The Company will periodically provide updates on any of the event falling under Clause 6 or as per Clause 7 above on a regular basis till such time the event is resolved / closed.

9. WEBSITE UPDATION / UPDATES TO STOCK EXCHANGES:

The Company shall update all disclosures made under the Regulations to the stock exchanges and in the Company's Website shall be continued to be hosted in the website for a minimum period of five years and thereafter archived as per the document retention policy of the Company.

10. DISCLOSURE OF EVENTS / INFORMATION ON SUBSIDIARIES / ASSOCIATES:

As required under the Regulations, the deciding authorities shall determine such events / information about its subsidiary / associates which are considered material in nature.

11. MISCELLANEOUS POINTS

Up on applicability of Regulation 30 (11) of LODR, the Company shall confirm or deny or clarify any reported event or information in the mainstream media which is not general in nature and which indicates that rumours of an impending specific material event or information in terms of the provisions of Regulation 30 of LODR are circulating amongst the investing public, as soon as reasonably possible and not later than twenty-four hours from the reporting of the event or information.

In case an event or information is required to be disclosed by the Company in terms of Regulation 30 of LODR, pursuant to the receipt of a communication from any regulatory, statutory, enforcement or judicial authority, the Company shall disclose such communication as required under Regulation 30 of LODR, along with the event or information, unless disclosure of such communication is prohibited by such authority.

12. AMENDMENTS:

The Managing Director of the Company is authorized to make minor modifications to this Policy which will remove ambiguities, enhance clarity on the provisions in relation to the implementation of this policy, etc.

In case of any major changes to the Policy, the Board of Directors shall amend this policy, as may be required to be in line with the changes, amendments and modifications if any in the LODR.

Further, in case of any amendment, clarification, circular, notification etc., issued by a competent authority, which is not consistent with the provisions laid down under this Policy, the provisions of such amendment, clarification, circular, notification, etc., shall prevail and

this policy shall stand amended accordingly, without any further action, on and from the date on which such amendment, clarification, circular, notification comes into effect.

13. BOARD'S APPROVAL:

This amended policy was approved by the Board of Directors at their meeting held on 24th July 2023.
